

DISCOVERY GROUP

20
26

Climate Report

for the year ended
30 June 2026



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Our reporting suite

A comprehensive reporting suite supports our Integrated Annual Report, providing our stakeholders with a holistic overview of the Group, its prospects and performance during the 2026 financial year (FY2026). These reports are available on our website.

IAR Integrated Annual Report Explains how we managed the creation, preservation or erosion of value during the year. This is our primary report to our shareholders and providers of financial capital, and also includes information relevant to our other key stakeholders.	AFS Group Annual Financial Statements Contains Group audited consolidated annual financial results for Discovery Limited, the Group's embedded value statement and five-year review.	SUS Sustainability Report Discloses the Group's performance against our Integrated Sustainability Framework and relevant standards and frameworks.
GOV Governance Report Details the Group's governance philosophy, leadership and compliance with the King Code on Corporate Governance for South Africa, 2025 (King V™)*.	REM Remuneration Report Outlines our Remuneration Policy and implementation approach, alongside factors influencing our remuneration-related decisions.	TAX Tax Transparency Report Communicates material tax information to demonstrate our commitment to tax transparency and operating as a force for good through our tax contributions.
ESG ESG Databook Includes quantitative and qualitative ESG disclosures over a five-year period, where applicable, and guided by global reporting standards.	RES Annual financial results presentation and booklet	AGM Notice of Annual General Meeting (AGM)

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THIS REPORT

PG Climate Report

Unpacks Discovery's approach to climate change and includes disclosures on climate-related governance, strategy, risk management, and metrics and targets.

NAVIGATING OUR REPORTING SUITE

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Our reporting suite is best viewed in Adobe Acrobat for desktop, smartphone or tablet. Click to download or update to the latest Adobe Acrobat Reader

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About this report

Our FY2026 Climate Report provides climate-related financial disclosures that are useful for investors and other stakeholders to assess Discovery's exposure and response to climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects – including its cash flows, access to finance, or cost of capital over the short, medium or long term.

This report should be read within the context of our broader reporting suite. Cross-references are used throughout this report to direct readers to additional and/or related information and to avoid unnecessary duplication.

Reporting scope and boundary

This Climate Report provides a holistic view of Discovery Limited (Discovery or the Group) and its subsidiaries, consistent with the Group's annual financial reporting boundary, unless otherwise stated, for the period 1 July 2025 to 30 June 2026. It includes information relating to the performance of our market-specific composites: Discovery (South Africa (SA)) and Vitality (United Kingdom (UK) and Global). Furthermore, we report on all material events up to the date of approval by our Board of Directors (Board). Where climate-related metrics are reported on a different basis due to data availability, methodology or operational boundaries, this is explained in the relevant section.

Basis of preparation

Where applicable, comparative information is provided to support an understanding of performance over time. Climate-related information may include estimates, assumptions and judgement, particularly in relation to greenhouse gas (GHG) emissions, scenario analysis and the assessment of climate-related risks and opportunities. Material assumptions, methodologies and limitations are explained in the relevant sections of this report.

Frameworks applied

In preparing this report, we were guided by:

- Global Reporting Initiative (GRI) standards
- International Sustainability Standards Board's (ISSB) IFRS S2 *Climate-related Disclosures* and IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- Prudential Authority Guidance Note on climate-related disclosures for banks and insurers

We continue monitoring developments in the reporting landscape, best practice and changes in stakeholder expectations that could impact our approach to climate disclosure.

Forward-looking statements

This report may include certain forward-looking statements regarding the Group's performance and prospects. These statements cannot be considered guarantees of future performance or outcomes, as they may be influenced by emerging risks, future events, changing circumstances and other important factors that cannot be predicted and are beyond Discovery's control. These events may cause actual results to differ materially from our current expectations as disclosed in this report.

Combined assurance

Discovery is committed to disclosing accurate information that supports stakeholders' decision-making. Our Combined Assurance model integrates the efforts of our management and internal and external assurance providers to assure the integrity of this report.

In FY2026, our reporting suite was assured as follows:

- Joint external audit assurance of Financial Statements by KPMG and Deloitte
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Limited assurance of selected greenhouse gas emissions inventory by Verify CO₂
- Verification of B-BBEE rating by Honeycomb BEE Ratings

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's performance for FY2026.

This report is the culmination of a Group-wide process led by the Group Finance function, with oversight from the Group Climate Steering Committee and Group Executive. Our Group Social and Ethics Committee reviews the process and recommends the report to our Board for approval.

Board approval

Discovery's Board of Directors is responsible for the integrity of this report. After reviewing this report, the Board believes it provides a balanced, accurate and comprehensive account of Discovery's response to climate change.

The Board unanimously approved this report on 13 October 2026.

Sir Mark E Tucker
INDEPENDENT NON-EXECUTIVE
CHAIRPERSON

Adrian Gore
GROUP CHIEF EXECUTIVE

We welcome your feedback on our reporting suite.

For copies of this report or to submit any comments, email sustainability@discovery.co.za.

Email us

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Leadership message

The link between the natural environment and human health and wellbeing has become increasingly evident. Grounded in our purpose of making people healthier and enhancing and protecting their lives, as well as our commitment to being a force for good, we view our response to climate change as a natural extension of our business – one that warrants the same discipline and rigour we bring to managing financial risk.

Senele Mbatha



The social, economic and health costs of climate-related events became more pronounced during the year. In May 2026, the Western Cape experienced a once-in-two-centuries deluge, with a preliminary provincial cost of approximately R9 billion. Over 231 000 people were affected and 11 lives were lost. For Discovery, the impact was tangible: it affected the communities in which our people live and work, the homes we insure, and the members whose health and livelihoods were directly disrupted.

Shortly after year-end, the collapse of a glacier near the Nepal-Tibet border claimed over 1 400 lives, further underscoring the growing human consequences of climate-related physical risk. Together, these events reinforce why adaptation and resilience must now take their place alongside mitigation as strategic priorities. While our assessment continues to indicate that transition risks are likely to be felt more acutely than physical risks in the short term, the Western Cape floods provided practical evidence of the physical risk already present in our short-term insurance book.

These events took place against a broader operating environment characterised by geopolitical instability, shifting policies and volatile global markets. At the same time, the

Progress against our climate change strategy

During the year, we further operationalised our climate change strategy through the Group's Net-zero Transition Plan, which was published in October 2025 and is now an active programme with defined workstreams, business owners and reporting lines. On our path to net zero, we continue to be guided by the three pillars of our climate change strategy:

structural trends underpinning Discovery's opportunity set – demographic change, the rising prevalence of chronic disease, deepening fiscal burdens, increasing healthcare costs, and accelerating technological capability – continued to strengthen.

In this context, regulatory expectations also continued to evolve. In the UK, we welcome the Prudential Regulation Authority's updated SS5/25 expectations for climate-related financial risk management. Vitality UK completed a gap analysis during the year, with a Board-approved action plan in place to ensure compliance. In SA, we participated in CIPC roundtables on the potential mandatory adoption of IFRS S1 and S2, contributed to consultations on the National Energy Regulator of South Africa's (NERSA) electricity trading rules, and adhered to national GHG reporting requirements.

We continue to support IFRS S2 as the global baseline for climate disclosure and are steadily strengthening our reporting in line with its requirements. This includes advancing disclosure on financed emissions, industry-based metrics and the quantified financial effects of climate risks – consistent with the direction taken by leading insurers across our sector.

01 Align across practices and properties

During the year, we reduced Scope 1 and 2 emissions by 34.1% (23 651 tCO₂e) against our 2019 baseline, exceeding our FY2026 target of 29.4%. This was driven by the installation and use of rooftop solar, operational efficiencies at our data centre and improved energy efficiency across our operations. Vitality UK maintained carbon neutrality for Scope 1 and 2 emissions, while in SA we sustained zero waste-to-landfill accreditation and ISO 14001 certification across our main offices.

We recognise that expanded access to clean energy is essential to achieving our carbon neutral and net-zero goals. Accordingly, Discovery Green remains on track to supply 1 Discovery Place with 100% renewable energy by late 2027. In the UK, we source 100% renewable electricity across our Vitality-occupied offices, while in SA we are exploring the viability of supplying clean energy to our regional offices. Together, these actions reflect the deliberate integration of climate goals into our operational and strategic decision-making, keeping us on course to achieve carbon neutral operations by 2027.



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02 Amplify through portfolio and partnerships

Reaching net zero is not something we can achieve in isolation, and we remain committed to expanding our impact by embedding shared-value thinking throughout our value chain – using our platforms, partnerships and relationships to support broader decarbonisation.

During the year, Discovery Green reached financial close on two renewable energy projects, with construction now underway on both. Once commercial operations begin, these projects will increase generation capacity to 740 MW, delivering an expected 2 095 GWh of renewable energy annually and avoiding two million tCO₂e each year. This saving is equivalent to removing 400 000 cars from South African roads. We also signed landmark long-term power purchase agreements with the University of Cape Town, York Timbers, Glencore and Afrox, building a portfolio of over 50 organisations that will wheel renewable energy through our platform.

We continued to engage our value chain more directly during the year. In procurement, we engaged with our SA suppliers and UK partners to confirm and track their net-zero commitments. We also developed a financed emissions measurement plan and initiated the development and implementation of an asset manager engagement plan to ensure the capital we deploy is actively steered towards a low-carbon economy.

We approach climate as a risk discipline, not a reporting exercise. Climate-related risks are identified through our Enterprise Risk Management Framework, scenario-tested through the Own Risk and Solvency Assessment and reported to the Board and the Group’s regulators. Climate change risk remains within the Group’s risk appetite, mitigated through our Net-zero Transition Plan and the integration of climate considerations into underwriting, pricing, product design, investment and procurement decisions. We are transparent about where our data or methodologies are still maturing – particularly in relation to Scope 3 and nature-related disclosures. Credible disclosure requires both progress and candour about the work still ahead.

During the year, we reaffirmed our standing commitments and maintained active participation across key global and local initiatives – including the UN Global Compact, the UNEP FI Principles for Sustainable Insurance, the UN Principles for Responsible Investment, CDP, the PRI Nature Reference Group and the National Business Initiative. Together, these commitments and memberships underpin Discovery’s contribution to credible disclosure, responsible investment, climate risk management and meaningful sector-level collaboration – reflecting our belief that systemic change requires collective action as much as individual commitment.

03 Impact through incentives and innovation

As the relationship between climate change and human health becomes clearer, our Vitality behaviour-change model gives us a distinctive advantage to encourage choices that are better for people and the planet. During the year, we completed a comprehensive study using claims data from 3.5 million beneficiaries over a 10-year period, combined with climate data, to better understand the relationship between extreme weather and healthcare demand. The findings confirmed that extreme weather influences both morbidity and access to care – reinforcing the need for climate-resilient healthcare systems and evidence-based interventions. With this in mind, we develop solutions that demonstrate how our Shared-value model can translate climate ambition into practical action that supports healthier, more resilient communities.

Our data capabilities and intellectual property equip us to respond to climate change in ways that are both commercially and socially relevant. For example, Discovery Green is built around the energy transition and directly addresses critical challenges in South Africa’s electricity supply while advancing our core purpose. Beyond product innovation, our green-building standards and energy efficiency initiatives reduce our cost base and limit our exposure to grid instability. More broadly, we contribute to the climate solution by influencing behaviour at scale through Vitality, quantifying the health impacts of climate change through our data and actuarial capabilities, and aligning social impact with commercial value.

Looking ahead

Our priorities going forward are clear. We will focus first on delivery: bringing renewable energy projects to commercial operation, enabling 1 Discovery Place to be supplied with 100% renewable energy through Discovery Green by late 2027.

We will also strengthen the foundations of our climate and nature-related disclosures. This includes improving how we measure Scope 3 emissions, with a particular focus on healthcare emission factors and other high-impact categories, and advancing our ability to identify nature-related dependencies, impacts, risks and opportunities.

Finally, we will place greater emphasis on resilience and adaptation. This will require us to look beyond historical data and make use of forward-looking scenarios, while paying closer attention to the protection gap in the communities we serve.

The climate context will continue to evolve, but we approach the next phase with clarity and resolve. Our Net-zero Transition Plan, grounded in our climate change strategy, provides the discipline and clear targets that will guide our path to 2050. We remain energised by the opportunity to contribute to a climate-resilient future – one that enables us to continue delivering on our purpose and remain a force for good.

SENELE MBATHA
Group Chief Risk Officer
Executive Sponsor of the Climate and Environment Steering Committee



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The evolving climate landscape

Context

The World Meteorological Organization confirmed that 2015-2025 was the hottest 11-year period on record, with 2025 about 1.43°C above the 1850-1900 average. More severe and unpredictable climate events, including intense heat, heavy rainfall and tropical cyclones, caused significant social, economic and health-related disruption, highlighting growing exposure to climate-related risks.

South Africa experienced increasingly extreme and variable weather conditions during the year, including severe flooding and prolonged drought conditions which disrupted communities, infrastructure, water resources and agricultural activities. The UK experienced a period of record-breaking weather events, characterised by exceptional heat and climate variability, contributing to floods, droughts, heatwaves and wildfires with broad socioeconomic and ecological impacts.

Climate change is recognised as a material source of financial risk, with the potential to disrupt and undermine global economic stability. Extreme weather events have resulted in significant disaster losses, including insured losses, with consequences for economies and financial institutions. The impact of climate change on global health also presents an urgent and complex challenge, with the World Economic Forum still ranking the decline in health and wellbeing as a top societal risk.

Despite the increasing impact of climate change, global momentum towards climate action has weakened with some major fossil fuel producers having paused, delayed or scaled back their climate commitments amid reduced regulatory and political pressure. At the same time, environmental issues have moved lower on the agendas of certain countries, which compounds climate threats and health risks. Adaptation efforts also remain constrained by insufficient funding and reductions in foreign aid.

Climate change is recognised as a material source of financial risk, with the potential to disrupt and undermine global economic stability.

Although over 100 countries have adopted net-zero pledges, these commitments fall short of what is required. The current national climate plans of the 195 parties to the Paris Agreement would decrease GHG emissions by about 12% by 2035 against 2019 levels, compared with the 55% reduction required to limit warming to 1.5°C. Achieving net zero requires governments to strengthen Nationally Determined Contributions (NDCs) and take bold, immediate steps to reduce emissions.

The actions taken by governments, businesses and individuals today to address climate change will shape the wellbeing and resilience of future generations. As an organisation founded on incentivising positive behaviour change, we have the opportunity to create meaningful impact by developing products and services that support the transition to a healthier, more resilient and lower-carbon economy.

PG 23 More information on how our shared-value approach supports climate solutions.

Our regulatory landscape

The global regulatory landscape is shifting from voluntary, fragmented reporting to standardised, government-mandated regulations. These developments are influencing how organisations identify, assess, manage and disclose climate-related risks and opportunities.

In South Africa, the Climate Change Act came into effect in 2025, establishing the first comprehensive legal framework for climate governance and laying the foundation for the phased implementation of climate adaptation, emissions management and related regulatory requirements. In addition, the country is moving towards adopting ISSB-aligned sustainability standards.

In December 2025 the UK Prudential Regulation Authority (PRA) issued Supervisory Statement (SS) 5/25, replacing SS3/19 and strengthening expectations for banks and insurers to identify, assess, manage and embed climate-related risk considerations in business strategy and decision making in a proportionate manner. In addition, the UK Government published the final UK Sustainability Reporting Standards (UK SRS) in February 2026, aligning the UK's sustainability disclosure framework with the ISSB global baseline and laying the foundation for future mandatory climate-related disclosures for listed companies.

Progress towards federal mandatory climate-related disclosures in the United States has reversed. In May 2026, the US Securities and Exchange Commission (SEC) proposed rescinding the climate-related disclosure rules proposed in 2022 and adopted in March 2024, stating that they exceed the scope of the SEC's statutory authority.

PG 14 For details on how we manage climate-related risk by monitoring and engaging on existing and emerging regulatory requirements.

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Our position on climate change

As a global financial services organisation, our ability to do business is fundamentally linked to the sustainable wellbeing of the communities in which we operate. We must consider the impact of the physical environment on their health and wellbeing to fulfil our purpose of making people healthier and enhancing and protecting their lives. Driven by our commitment to being a force for good, and enabled by research and innovation, we are well placed to make a real-world impact and be part of the climate change solution by leveraging the power of our Shared-value model – anchored in prevention, behaviour change and data-driven care – to promote planetary health and contribute meaningfully to building systemic resilience in a changing climate.

Discovery supports a fair, responsible and just transition to a low-carbon economy. Our climate change strategy and Net-zero Transition Plan guide our efforts to manage climate-related risks, reduce our negative impacts and identify opportunities to contribute to a more resilient economy. We recognise that achieving a net-zero future requires collective action across our value chain and seek to work with partners that support the transition to a lower-carbon and more climate-resilient economy. In response to a rapidly evolving landscape, we continuously review and refine our climate-related ambitions and objectives as new information, insights and data become available.

OUR RELATED REPORTING FRAMEWORKS AND COMMITMENTS:

Alliance for Climate Action South Africa		S
Carbon Disclosure Project (CDP)	R	
Global Reporting Initiative (GRI)	R	
ISSB IFRS S2 Climate-related Disclosures	R	
Partnership for Carbon Accounting Financials (PCAF)		S
UK Climate-related Financial Disclosures	R	
UK PRA's SS5/25	R	
UK Streamlined Energy and Carbon Reporting (SECR)	R	
UN Global Compact	R	S
UN Principles for Responsible Investment (PRI)	R	S
UNEP FI Principles for Sustainable Insurance (PSI)	R	S

KEY: R Reporting S Signatory

PG 14 Detail on our engagements on climate-related topics.

Our approach to climate reporting

We monitor reporting developments, emerging good practice and stakeholder expectations that may affect our climate disclosures. Although the ISSB IFRS S2 is not yet mandatory in South Africa, we align our climate-related disclosures with its requirements and report in accordance with the GRI Standards. Our Net-zero Transition Plan, published in October 2025, aligns with the Transition Plan Taskforce Disclosure Framework, the Glasgow Financial Alliance for Net-zero recommendations and other relevant frameworks.

As of January 2026, 21 jurisdictions have adopted IFRS S1 and IFRS S2 on a voluntary or mandatory basis, while an additional 16 jurisdictions are planning to adopt them in the future.

These jurisdictions account for almost 60% of global GDP

IFRS Sustainability Symposium 2025

The GRI standards are the world's most widely used sustainability reporting standards, used by 40% of all large, listed companies, representing

over 60% of global market capitalisation

The State of Sustainability Reporting (GRI: 2025)

Our phased approach to advancing our climate reporting

Our climate reporting has developed through three phases, reflecting our progress to date. We continue to mature our approach as our data, methodologies and capabilities advance.

PHASE 1

Established a foundation for climate-related financial disclosure aligned with the TCFD* recommendations by addressing key requirements within the governance and risk management pillars.

PHASE 2

Focused on enhancing our strategy, metric and target disclosure elements – which are especially useful to interested stakeholders.

PHASE 3

Refined climate-related scenario analysis, described our strategy's resilience across different climate scenarios and established a baseline for our Scope 3 carbon emissions.

* The TCFD was disbanded in 2023 following the release of the ISSB's IFRS S1 and S2.

We remain committed to transparent, stakeholder-responsive reporting, and will evolve our approach based on the latest climate science and evolving global climate-related standards. During 2026, South Africa advanced the development of a National Sustainability Reporting Adoption Roadmap, led by the Department of Trade, Industry and Competition (dtic) and Companies and Intellectual Property Commission (CIPC), to assess and support the phased adoption of ISSB-aligned sustainability disclosure standards. This work, together with growing regulatory references to ISSB standards by bodies such as the FSCA and Prudential Authority, signals an increasing convergence towards a future ISSB-based reporting framework. In the UK, we will align our disclosure with the UK SRS, continue to enhance our climate-related risk management in line with SS5/25 and prepare for future mandatory climate-related disclosure requirements.

Vitality UK's 2025 Climate-related Financial Disclosures Report

Our strategic response to climate change

Our climate change strategy sets clear goals to reduce the Group's GHG emissions and integrate climate considerations across our business. Guided by our values, the strategy is supported by clear objectives and principles to ensure the Group delivers on its climate-related goals. Our Net-zero Transition Plan translates this strategy into specific targets and implementation plans for achieving our net-zero ambition.

Objectives

- Assess and acknowledge potential climate-related risks and opportunities and formulate appropriate strategies
- Integrate climate-related issues into Group policies and practices – including investments, procurement and partnerships
- Set science-aligned targets in line with global best practice for direct and indirect GHG emissions
- Innovate to develop climate-friendly products and services that positively influence society
- Drive climate action and advocacy through industry and policy engagement
- Disclose and report on climate-related risks, strategies, targets and progress aligned with leading recommendations

Principles

- Science-led and aligned with global initiatives that incorporate best practice
- Linked to our core purpose and integrated into the Group strategy, informed by a clear business case
- Focused on Discovery's areas of greatest impact to manage its sphere of influence
- Committed to collaborating and contributing meaningfully on relevant public policy issues to promote a just transition
- Underpinned by effective governance, empowered people and a commitment to transparency and accountability

Our goals as at FY2026 are reflected below, and will be updated and refined as we achieve our targets and milestones on our journey to net zero, while adhering to the latest science-aligned recommendations for business and industry transformation.

SHORT-TERM GOAL
Reduce GHG emissions annually against our 2019 baseline

- Reduce Scope 1 and 2 emissions by 29.4% (25 343 tCO₂e) for FY2026 and 35.1% (23 296 tCO₂e) for FY2027 against a 2019 baseline of 35 897 tCO₂e (on a cumulative basis, using a science-aligned methodology)
- Maintain carbon neutrality in our UK operations
- Refine methodology for Scope 3 emissions
- Set a Carbon Policy

MEDIUM-TERM GOAL
Deliver carbon-neutral operations by 2027 and meet interim Scope 3 targets by 2030

- Achieve carbon neutrality in our SA and US operations by 2027 (Scope 1 and 2 emissions)
- Engage with our value chain on net zero
- Refine Scope 3 methodology using supplier-specific data and engage suppliers on our climate strategy
- Collaborate with asset managers on science-aligned targets and strengthen climate-aware investment stewardship

LONG-TERM GOAL
Achieve net zero by 2050 or earlier

- Operationalise and adapt our Net-zero Transition Plan
- Advocate for climate action
- Contribute to a healthier, more secure future for all

THESE GOALS ARE ENABLED BY THREE PILLARS, EACH WITH SPECIFIC COMMITMENTS:

ALIGN across practices and properties
Reduce Group GHG emissions to align with global climate ambitions

AMPLIFY through portfolio and partnerships
Integrate climate-related factors into investment, procurement and partnership decisions and policies

IMPACT through incentives and innovation
Develop and scale products and services that reduce GHG emissions and support adaptation

THESE PILLARS ARE IMPLEMENTED THROUGH THREE DEDICATED WORKSTREAMS TO HELP US REACH OUR CLIMATE CHANGE GOALS:

OPERATIONS
All property and facility-related operations that contribute to our carbon emissions, including energy provision and management, fleet management, employee services and waste management.

PEOPLE
Our engagement with and impact on employees and external stakeholders (partners, asset managers, suppliers and ratings agencies) that affect our carbon footprint and goals.

PRODUCT
Considering potential climate-change impacts in product development, and specifically developing new products and services to encourage and incentivise clients and society to reduce their personal emissions and make sustainable choices.

PG 24 For detailed commitments and performance against our strategy, refer to our metrics and targets.

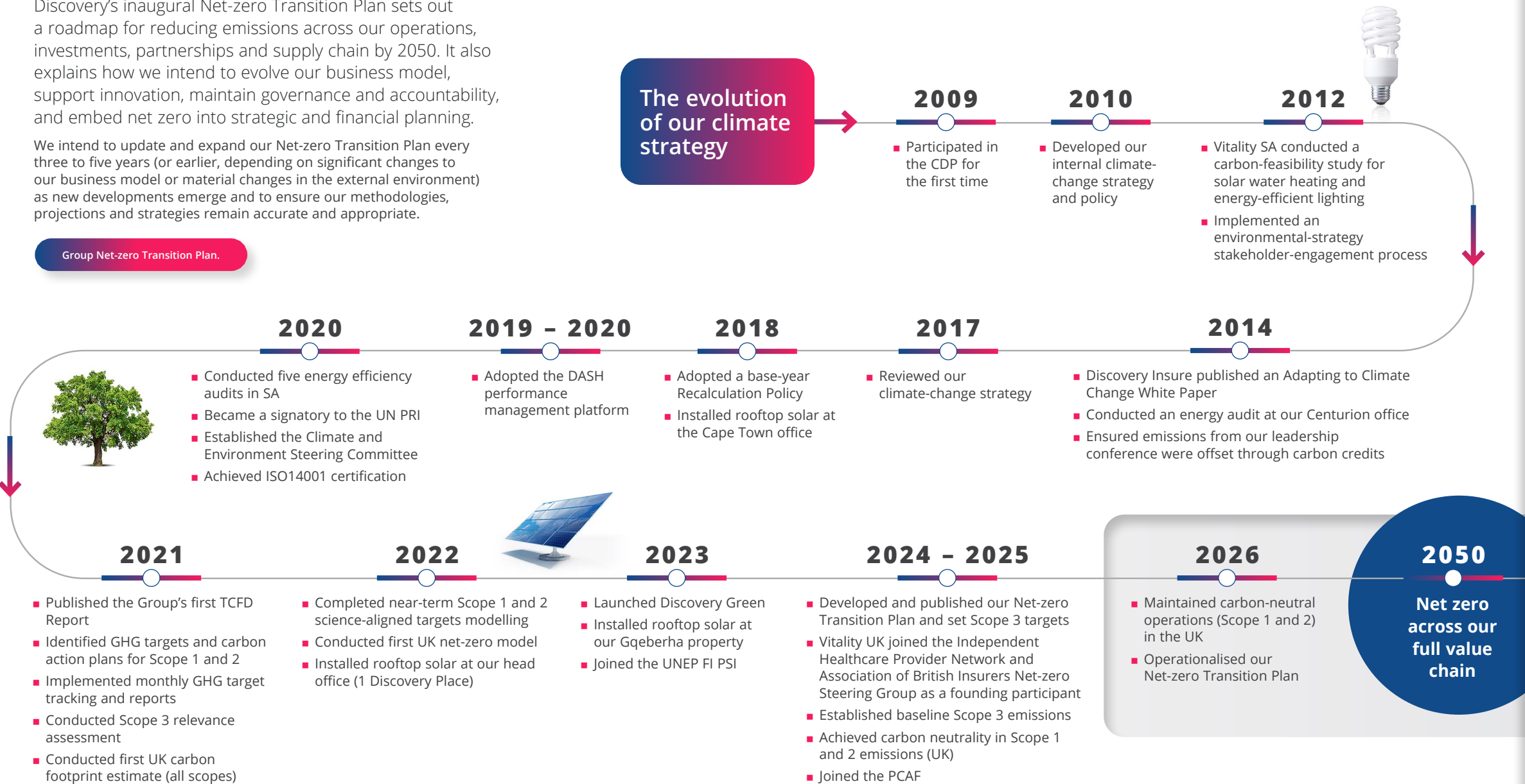
Discovery Group Climate Change Strategy.

Our Net-zero Transition Plan at a glance

Discovery's inaugural Net-zero Transition Plan sets out a roadmap for reducing emissions across our operations, investments, partnerships and supply chain by 2050. It also explains how we intend to evolve our business model, support innovation, maintain governance and accountability, and embed net zero into strategic and financial planning.

We intend to update and expand our Net-zero Transition Plan every three to five years (or earlier, depending on significant changes to our business model or material changes in the external environment) as new developments emerge and to ensure our methodologies, projections and strategies remain accurate and appropriate.

Group Net-zero Transition Plan.



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Governance

Climate change is a strategic business issue for Discovery, requiring us to consider both its impact on our business and our own impact on the environment. Through our effective governance structures, we ensure that our specific climate-related risks and opportunities are identified, assessed, monitored and integrated into strategy, capital allocation and risk management.

Group governance for our climate change response

Climate-related governance is embedded within our established, wide-ranging governance structures to ensure climate-related risks and opportunities are integrated into day-to-day operations and regularly reported to the Board. The Board, in turn, considers climate-related risks, opportunities and associated trade-offs when overseeing strategy, risk management and capital allocation decisions.

The Group Governance Framework defines the roles, responsibilities and interrelationships between the Group, its composites and its subsidiaries.

GOV For more information on Discovery's governance structures, refer to our Governance Report.

The following governance commitments underpin the pillars of Discovery's climate change strategy:

ASSIGN Board and executive-level responsibilities for delivering on our climate change strategy

ASSESS, MANAGE and publicly **DISCLOSE** climate-related risks and opportunities across the Group

REVIEW the Group's capabilities, organisational structure and remuneration to achieve our climate ambitions and goals



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Board responsibilities and key activities

Group Board

Our Board oversees our climate change response, which is championed by the Group Chief Executive, and approves the strategic direction, policies and recommendations for managing environmental issues such as energy, waste, water, climate change and biodiversity.

The Group Board also:

- Oversaw the development and rollout of climate-related products, services and investments
- Monitored Discovery Green's progress, including product updates, business plans and key risks
- Approved the Group's first Net-zero Transition Plan and monitored subsequent progress
- Oversaw progress in embedding the net-zero governance operating model across the Group

Social and Ethics Committee

SEC

The Social and Ethics Committee reviews, as a standing agenda item, performance against the Group's climate change strategy and Net-zero Transition Plan.

The committee also:

- Oversaw the development of Discovery's Net-zero Transition Plan and recommended it for Board approval
- Oversaw the metrics and targets relating to energy, water and waste, including any revisions where necessary, and monitored performance against them
- Oversaw the development of climate-related targets informed by science-aligned pathways and recommended these for approval to the Remuneration Committee
- Monitored the implementation of the Group's climate-related programmes, including our net-zero programme
- Monitored the Group's ESG ratings and progress against ESG initiatives
- Reviewed and recommended the Group's Climate Report to the Board for approval
- Met at least four times this year and reported to the Board every quarter

Audit Committee

AC

The Audit Committee reviews and approves public disclosures in external financial reporting such as the Integrated Annual Report and Group Annual Financial Statements.

The committee also:

- Received updates on the Group's approach to non-financial reporting, including sustainability and climate-related disclosures, and considered these against industry-leading standards and emerging trends
- Considered the non-financial assurance processes that support the Group's disclosure obligations

Remuneration Committee

RC

The Remuneration Committee oversees and promotes fair and responsible pay and upholds remuneration-related governance that supports environmental sustainability across the Group.

The committee also:

- Oversaw the Group scorecard, which includes both financial and sustainability performance measures, and linked climate-related targets to executive remuneration

Risk and Compliance Committee

RCC

The Risk and Compliance Committee oversees climate-related risks and opportunities, and monitors mitigation plans to manage identified risks.

The committee also:

- Reviewed climate and other environmental risk metrics and whether any breaches were appropriately addressed
- Reviewed climate and other environmental risks reports
- Oversaw regulatory developments monitored by the Group's Compliance function
- Recommended the Group's Own Risk and Solvency Assessment to the Board for approval, which included quantitative and qualitative climate risk scenarios
- Met at least four times this year and reported to the Board every quarter

The committee is supported by the Group Chief Risk Officer, who ensures:

- Risk management policies and frameworks adequately allow for climate-related financial and non-financial risks and opportunities
- Climate-related risks and opportunities are identified, assessed, monitored and managed in line with these policies and frameworks, at a business and Group level
- Exposure to climate-related risks and opportunities is adequately included in internal, regulatory and public reporting

Nominations Committee

NC

The Nominations Committee ensures the Board has the appropriate balance of skills, qualifications and experience to execute its duties effectively.

The committee also:

- Oversaw the training plan for the Board and its committees
- Evaluated the collective climate competency of the Board as part of its skills matrix, which includes a defined sustainability and climate dimension; the assessment considered the knowledge and experience of directors and identified any gaps against the current and emerging needs of the Group

Actuarial Committee

ACT

The Actuarial Committee oversees climate-related risks that could affect the Group's insurance businesses to ensure they are appropriately reflected in actuarial models, assumptions, capital requirements and risk management.

The committee also:

- Oversaw the Group's Head of Actuarial function, who evaluated and provided advice on stress, sensitivity and scenario testing as part of Discovery's Own Risk and Solvency Assessment



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Management responsibilities and key activities

Group Executive Committee

Chaired by the Group Chief Executive, the Group Executive Committee formulates and implements strategies, policies and risk management plans. This includes integrating climate change issues into the business model and strategic priorities and driving the delivery of the stated operational, strategic and innovation goals.

The committee also:

- Oversaw implementation of the Group's climate change strategy and Net-zero Transition Plan
- Monitored progress against the objectives and commitments set out in the Net-zero Transition Plan
- Oversaw Discovery Green's strategic progress, including product updates, business plans and key risks
- Provided updates to the Social and Ethics Committee quarterly and to the Board as necessary

ESG Executive Committee

The ESG Executive Committee, a subcommittee of the Group Executive Committee, establishes the Group's ESG strategy and oversees its implementation. It provides strategic direction on cross-cutting ESG matters and reports periodically to the Social and Ethics Committee.

The committee also:

- Met periodically, as required, and oversaw climate-related transformation initiatives, including corporate targets, employee incentives, research and development, and budget considerations

Group Climate and Environment Steering Committee

The Group Climate and Environment Steering Committee, with representatives from several business functions, convened monthly to manage and drive climate-related transformation across the Group. Members include the Group Chief Risk Officer, Vitality UK's Group Chief Sustainability Officer, Head of Investor Relations and ESG, and other representatives responsible for implementing IFRS S2 recommendations. The Group Chief Risk Officer is the executive sponsor of this steering committee and reports to the Group Executive Committee as necessary.

The committee also:

- Supported senior management in evolving and implementing the Group's climate change strategy
- Continued to manage and drive climate-related transformation, which included monitoring the implementation of Discovery's net-zero programme
- Oversaw the Group's alignment with IFRS S2, including enhancements to disclosures and the closure of operational gaps
- Reviewed ESG ratings and progress to close gaps related to climate change

Net-zero Steering Committee

The Net-zero Steering Committee oversees the delivery of the Net-zero Transition Plan, monitors progress across functions and reports to key executive forums and Board committees. The committee is chaired by the Group Chief Risk Officer, with members including Vitality UK's Group Chief Sustainability Officer, along with representation from various functions and businesses across the Group.

The committee also:

- Oversaw the development and publication of the Net-zero Transition Plan and its first phase of implementation
- Monitored operationalisation of the Net-zero Transition Plan
- Supported workstreams to develop and refine their data collection processes, while monitoring performance against data-driven targets and embedding reduction initiatives across the business

Our teams and processes ensure we remain abreast of existing and emerging climate-related regulatory requirements in our key markets, including those issued by international policy bodies.

Our teams and processes ensure we remain abreast of existing and emerging climate-related regulatory requirements in our key markets, including those issued by international policy bodies. This extends to supervisory requirements in Discovery's South African, UK and US markets, as well as legal developments that may affect our partners. We draw on the expertise of internal specialists and external advisers where appropriate, and regularly report material developments and their potential business impacts to the Board.



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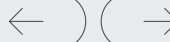
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Our governance procedures and controls

Discovery has a well-established Group-wide Combined Assurance model that addresses our significant strategic, sustainability, financial, operational and compliance-related risks – including those related to climate. The model integrates management oversight with the work of our internal and external assurance providers to ensure coordinated assurance over Discovery's material risks and that suitable controls exist to mitigate these risks to an acceptable level. This is achieved by:

- Linking risk management and assurance activities
- Identifying potential assurance gaps and resource duplication
- Informing the Board, Audit Committee and Risk and Compliance Committee of the combined assurance status
- Providing integrated assurance and enhancing accountability
- Supporting an adequate and effective risk-control environment, aligned with risk appetite, and the integrity of risk-related reporting for better decision-making

The Group's Combined Assurance model clearly separates business management from governance and control structures, further strengthening the Board's oversight.

- 1

Line management is responsible for the day-to-day management of risks and controls within our operations, as well as delivering the strategy and optimising business performance within our agreed governance and risk framework.
- 2

Specialist Risk, Compliance and related functions operate independently of day-to-day management and provide the Board with a level of assurance regarding the adequacy and effectiveness of the overall risk management system.
- 3

Internal Audit, external audit and other assurance providers provide an independent and balanced view of the effectiveness of the above functions.

GOV Refer to page 20 of our Governance Report for more information on our Combined Assurance model.

Board competence on climate-related issues

The Nominations Committee reviews the Board's collective skills, knowledge and experience, informed by our Directors' previous and current roles, and oversees the performance evaluation of the Board, its committees and Non-executive Directors.

The Board leverages its diverse skills and experience in overseeing climate-related issues and complements these capabilities with the specialised expertise of the Group's subsidiary boards. Through regular engagement and collaboration, the Board ensures alignment across Discovery. This approach enhances Group-level decision-making while ensuring our subsidiary boards can respond to the challenges and opportunities in their respective markets.

We continually assess our Board's development needs and requirements and provide training on key issues identified. In FY2026, this included training on Discovery's Own Risk and Solvency Assessment process, which incorporates a climate change scenario, as well as an externally facilitated discussion on managing the complexities of a changing sustainability landscape. In the UK, updates on sustainability were presented at each Board meeting on our Group Net-zero Transition Plan, social impact, key market developments and regulatory changes, including Vitality UK's response to PRA SS5/25. Given the critical and evolving nature of environmental matters and related reporting standards, we will continue to ensure that climate- and sustainability-related training is provided for the Board and its committees. The Board and its committees may engage with subject matter experts or independent advisers as needed.

PG 14 Details on our engagement with external bodies to stay informed about climate-related developments and best practice.

Governance of climate-related matters in the UK

Vitality UK, a business composite and intermediate holding company of the Discovery Group, has a constituted Board that operates autonomously and independently of the Discovery Group Board. Minutes of its meetings are tabled at Group Board meetings to promote effective oversight and alignment with the Group's Strategic Framework.

Vitality UK's Board and executives are responsible for identifying, assessing, managing and disclosing climate-related risks and opportunities, and ensuring compliance with applicable regulatory requirements. They report into the Discovery Group governance structure on the business's climate change response.

The Vitality UK Sustainability Committee, chaired by the Group Chief Sustainability Officer, develops and evolves the UK's sustainability strategy and monitors its delivery. Committee members represent several business functions, including People, Property and Facilities, Risk, Finance, Sourcing, Vitality Programme, Distribution and Marketing. These functions work closely with the sustainability team to set, own and meet their targets. Performance is monitored through the internal sustainability dashboard and reported to the UK Executive Committee. Feedback from the Vitality UK Group Chief Sustainability Officer to the Group Executive Committee is included in the Group Chief Executive's quarterly report to the Board. The responsibilities of the Group Chief Sustainability Officer also extend to our Vitality Global operations.

Vitality UK discloses annual climate-related information in line with mandatory Climate-related Financial Disclosures and SECR requirements. These governance structures support compliance with applicable requirements and alignment with the Group's climate change strategy and response.

Climate change governance is guided by the regulator, the UK PRA, through their SS5/25; the Financial Conduct Authority; and the UK Department for Energy Security and Net Zero.



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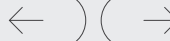
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Risk management

Discovery's well-established Enterprise Risk Management (ERM) Policy and Framework – which is supported by a comprehensive suite of risk policies, frameworks and guidelines – provides a structured approach to identifying, assessing and managing risks. Climate-related risks are incorporated into our ERM Framework and assessed across various time horizons, ensuring they are appropriately managed.

IAR For more information on our ERM Framework, refer to our Integrated Annual Report.

Our risk management process

Our overarching climate-related risk management process remains unchanged from FY2025. Our risk taxonomy defines the Group's risk universe, including climate change and other sustainability-related risks. We establish a risk appetite for each climate risk category and apply appropriate risk responses, including avoiding, mitigating, transferring or accepting risks within approved tolerance levels.

Climate-related risks and opportunities are managed through a structured process to identify, assess, treat, report and monitor exposures and potential value-creation areas. This approach is informed by our risk management strategy and is implemented in line with our risk policies, frameworks and guidelines. We will continue to refine our approach to managing climate-related risks and opportunities as our operating environment evolves.

PG 22 Examples of climate-related opportunities.

OUR RISK MANAGEMENT PROCESS AS APPLIED TO CLIMATE-RELATED RISKS AND OPPORTUNITIES IS DETAILED BELOW.

1

Identify

We identify climate-related risks through our ongoing risk management process. Subject matter experts use the tools prescribed in our ERM Framework to brainstorm risks and appropriate responses, and we draw on insights from consultants and trade bodies we work with.

Our approach to identifying climate-related risks is guided by leading sustainability disclosure requirements and considers both transition and physical risks. These risks are then tailored to our business context through our risk taxonomy, which categorises risks across the Group's principal risk classes: strategic, business, credit, market, liquidity, insurance, operational, technology and regulatory.

2

Assess

We assess the identified risks qualitatively and quantitatively, where data is available, and in line with best practice, refining our approach as our understanding evolves. Risks are assessed over short-, medium- and long-term time horizons, and are categorised as current or emerging. Each risk is rated and prioritised based on the likelihood of occurrence and the potential impact at the Group and business entity levels. Emerging risks are further evaluated based on our ability to influence their potential impact and the speed at which they are expected to materialise.

The nature of the risk will determine whether we aim to accept or avoid it, and our appetite for risks we accept is higher than for risks we aim to avoid. We consider a risk's rating from both inherent and residual perspectives, with residual ratings accounting for established mitigation measures. We check residual risk ratings against risk appetite statements to determine whether they fall within Discovery's appetite.

The Group also uses stress and scenario analyses to help identify and quantify risks, and assess the resilience of our strategy, business model and operations to climate-related impacts. This supports broader organisational resilience by informing our preparedness, response and adaptation to climate change.

IAR For more information on the Group's top risks and their severity classification, refer to our Integrated Annual Report.

5

Monitor

We monitor climate change risks by tracking the implementation and effectiveness of risk treatment actions, movements against risk appetite and changes in the external operating context. This includes progress against the climate change strategy and other identified treatment actions, together with emerging regulatory, market, scientific and insurance-related developments that may affect the Group's risk profile. Our climate change risk indicators continue to evolve, with established metrics reported regularly while additional measures, including those linked to claims experience, exposure trends and organisational resilience, are further developed.

4

Report

We review, challenge and report on climate-related risks to the appropriate governance forums through our formal risk registers. Any breaches of the Group's risk appetite are escalated and reported in line with our governance structures. Business risk profiles are reported to business executive committees and the Group Risk and Compliance Committee. Climate-related risks and scenario analysis results are included in our Own Risk and Solvency Assessment (ORSA) reports to the Board and relevant regulators.

3

Treat

We identify and implement risk treatment actions and controls to manage climate-related risks in line with our risk appetite. These actions are embedded through relevant business and Group processes, including governance, strategy, underwriting, pricing, investment, procurement, reinsurance and operational resilience, and are monitored for effectiveness.



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Our assessment of climate-related risks

Climate change risk remains within Discovery's risk appetite. Key mitigating actions include implementing our climate change strategy, which includes our Net-zero Transition Plan; integrating climate-related matters into the Group's governance structures, policies and practices, as well as investment and procurement decisions, underwriting and pricing considerations, product development and service offerings, and partnerships; maintaining appropriate risk transfer arrangements, including reinsurance for climate-related exposures; and improving public disclosures.

Our assessment indicates transition risks will have a higher impact than physical risks in the short term. However, we already experience the effects of physical risks within our short-term insurance business. As part of our ORSA process, we conduct specific climate change scenario analyses to assess the impact of transition and physical risks across the Group. While the more severe effects of physical risks, such as increased claims or disruptions to critical business operations, are expected to occur beyond the business planning time horizon, we continue to assess their potential impacts and the necessary mitigation actions.

We invest resources and implement initiatives to continually reassess climate change risk as the industry's understanding of climate change matures. This includes refining our data, methodologies and scenario analysis capabilities over time, and considering emerging health-related research on the potential implications of climate change for morbidity, mortality and claims experience. Accordingly, our assessment of climate change risk may shift over time.

PG 15 For details on the potential impact of climate-related risks.

Climate-related developments

To ensure we remain responsive to the changing climate landscape, we ensure that our policies and frameworks are reviewed periodically. In addition, our risk and opportunity profiles are reviewed and updated regularly.

Discovery is committed to meeting the relevant regulatory requirements of the countries where we operate. We therefore monitor and assess evolving climate-related regulatory requirements across our key markets and remain abreast of relevant regulatory developments and global leading practices. This enables us to respond proactively to a changing environment, remain compliant and adapt our strategy, business model and financial planning to address climate-related risks and opportunities.

We actively participate in national and global policy and framework consultations on climate change and sustainability-related matters, including through collective industry submissions and with our regulators. All submissions are subject to appropriate review and approval processes to ensure consistency with the Group's policies and climate strategy.

Our participation and engagement in key areas included:

NATIONAL AND INTERNATIONAL ENGAGEMENT ON CLIMATE CHANGE

- Maintained active membership of the National Business Initiative (NBI) in South Africa, contributing to its Membership Council, Advisory Committee for Environment and Society, the Just Transition Pathways working group and the Science Based Targets Network SA Engagement Strategy Working Group
- Attended the NBI South Africa Climate Summit, a climate engagement forum, to gain insights into emerging climate policy, implementation priorities and business-led sustainability initiatives
- Participated in the WWF South Africa Business Network to stay informed on emerging sustainability trends, regulatory developments and leading environmental practices
- Registered representatives to participate in the UN Global Compact's 2026 Climate Ambition Accelerator, a six-month programme supporting progress towards net-zero emissions by 2050

CLIMATE-RELATED REGULATORY AND LEGISLATIVE DEVELOPMENTS

- Adhered to the SA Department of Forestry, Fisheries and the Environment's National Greenhouse Gas Emission Reporting requirements
- Noted the UK PRA release of SS5/25 which immediately superseded SS3/19, setting stricter expectations for climate-related financial risk management for banks and insurers. Vitality UK has completed a gap analysis and developed a Board-approved action plan, now underway, to ensure compliance
- Considered proposed revisions to the Independent Regulatory Board for Auditors' Code of Professional Conduct, including ethics and independence standards for sustainability assurance
- Responded to an International Labour Organization and Business Unity South Africa survey on how climate regulation is influencing sustainable business practices and the transition to a low-carbon economy
- Submitted comments on the proposed Electricity Trading Rules to NERSA, contributing industry input on the development of South Africa's evolving electricity market framework

CLIMATE-RELATED FRAMEWORKS AND REPORTING

- Continued to support the adoption of IFRS S2 as the global baseline for climate disclosure, including through participation in industry forums and various CIPC roundtable discussions on South Africa's draft policy framework for the potential adoption of IFRS S1 and IFRS S2
- Continued to be a signatory to the UNEP FI PSI and submitted our annual disclosure
- Vitality UK joined the UN PSI Working Group for Nature as the regional lead for life and health insurance
- Continued as a signatory to the PRI and incorporated ESG considerations into investment decision-making and ownership practices through our asset managers
- Joined the PRI Nature Reference Group to strengthen investor capacity and share knowledge on tools and disclosure frameworks for managing nature-related risks and opportunities

INDUSTRY FORUMS

- Continued to engage in the Association of British Insurers' (ABI) Climate Change working group and the joint ABI and IHPN Net Zero steering group for health insurers and independent healthcare providers – which is chaired by Vitality's Group Chief Sustainability Officer
- Maintained representation on South African Insurance Association's climate change forum, contributing to discussions on regulatory, reporting and emerging climate issues
- Maintained membership of the Association of Savings and Investment South Africa, which represents the industry on various national working groups – including participating in the Climate Change Forum
- Participated in knowledge-sharing sessions as a member of the Alliance for Climate Action SA
- Represented Discovery on the Actuarial Society of South Africa's Climate Change Committee and its Climate Change Impacts on Mortality and Morbidity Working Party; contributed to the development of a South African actuarial framework for assessing the potential climate-related impacts on life and health insurers; and presented a paper at the ASSA convention on the effects of extreme climate events on morbidity risk
- Responded to a survey by the Institute and Faculty of Actuaries (UK) on climate, mortality and morbidity, and attended a briefing session on the findings thereof
- Participated in the Institute and Faculty of Actuaries (UK) Sustainability Early Careers Board
- Discovery Green participated in industry forums and conferences focused on renewable energy, electricity market reform and the energy transition

PG 5 For details on our climate-related context and regulatory landscape.



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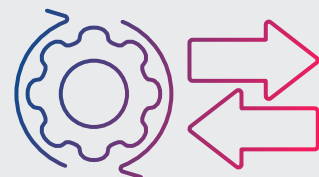
Discovery recognises that climate-related risks and opportunities could impact our business model, operations and long-term value creation. Our climate change strategy and the Net-zero Transition Plan outline our commitments to achieving net zero by 2050 or earlier and guide how we identify, assess and respond to these risks and opportunities.

We continue to strengthen our scenario analysis, risk assessment and data capabilities while addressing challenges related to quantifying financial implications and obtaining decision-useful information. In addition, we recognise that climate change and nature loss are interconnected: climate change can accelerate biodiversity loss and ecosystem degradation, while weakened ecosystems can intensify physical climate impacts and reduce resilience. These interdependencies are considered, where they could affect our operations, value chain, clients and insurance exposures.

Based on our latest assessment, the Group's climate-related risks remain within appetite. Therefore, our current response to transition and physical risks does not require significant deviation from our strategic and financial planning. We will continue to refine our approach as methodologies, data and our understanding of these risks evolve.

Climate-related risks

We evaluate climate-related risks and opportunities across relevant time horizons and integrate them into our risk management and strategic planning frameworks. We assess two broad categories of climate-related risk: transition and physical. These risks may affect various parts of our business, from claims experience, underwriting and asset valuations to client behaviour, operational resilience, supply chain continuity and regulatory or reputational exposure. Our Group strategy considers the materiality of these impacts and related opportunities in the sectors, products and geographies in which we operate.



Transition risks

Transition risks relate to the transition to a lower-carbon and climate-resilient economy, and include changes in policy, regulation, technology, markets and stakeholder expectations. These developments may create financial, legal, operational and reputational risks as we adapt to an evolving climate landscape.



Physical risks

Physical risks arise from the acute and chronic physical effects of climate change, including extreme weather events, high rainfall and flooding, high temperatures, drought and rising sea levels. These risks may affect claims experience, operations, infrastructure, supply chains, client health and business continuity.

We categorise our risks and opportunities as short term (less than one year), medium term (one to five years), or long term (beyond five years), in line with the Group's strategic and planning time horizons. While the timing and financial impacts of climate change remain inherently uncertain, certain transition risks are already emerging through evolving policy, regulatory and stakeholder expectations, while weather-related physical risk impacts are being experienced in our short-term insurance business. We continue to monitor regulatory, market and physical risk developments and adapt our strategies, risk assessments and management actions as new information becomes available.

Throughout our climate reporting journey, we have strengthened our understanding of how climate-related risks and opportunities may affect our strategy, financial planning and performance. These insights inform our strategic approach, including how we consider product development, product changes and innovation in response to evolving risk, client, business and operating environment needs. Climate-related risks and opportunities are not currently considered material to the Group's Annual Financial Statements and are therefore not separately disclosed in terms of the International Financial Reporting Standards (IFRS). However, the Group Finance function continues to monitor the potential financial implications of climate-related risks and opportunities to ensure these are appropriately reflected in financial reporting if their significance evolves.

The pages that follow outline the potential risks to Discovery, as well as their impact and our related actions.



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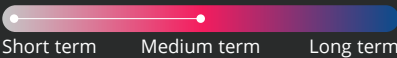


TIME FRAME



Transition risks

POLICY RISKS



Our global footprint and continued growth expose us to evolving climate-related policy and regulatory requirements across jurisdictions. Policy risks may arise from carbon taxation, sectoral emissions targets, mandatory climate and nature-related disclosure requirements, and increasing supervisory expectations for climate-related financial risk management.

While the global policy environment has become more uneven, expectations continue to evolve in our key markets. South Africa is moving towards mandatory climate-related disclosures, while UK SS5/25 reinforces expectations for banks and insurers to strengthen climate risk governance, scenario analysis, data and disclosure capabilities. These developments may affect our strategy, operations, financial planning and value chain, and require continued integration into risk appetite, stress testing, prudential planning, controls and assurance readiness.

Key mitigating actions

- Implement and monitor delivery of the Net-zero Transition Plan, including targeted energy efficiency, renewable energy and decarbonisation initiatives to reduce fossil fuel consumption
- Monitor, assess and respond to evolving climate-related legislative, regulatory and supervisory expectations across relevant jurisdictions
- Strengthen climate-related governance, risk management, scenario analysis, data, controls and assurance processes to support disclosure and prudential readiness

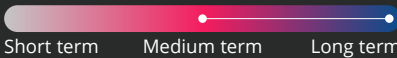
Potential operational and strategic impact

- Increased expectations to embed climate risk into governance, risk appetite, scenario analysis, stress testing and prudential planning
- Expanded climate and nature-related disclosure obligations, including stronger data, control and assurance requirements
- Greater value-chain expectations and implementation complexity arising from evolving global policy and regulatory shifts

Potential financial impact

- Investment in data, systems, controls and assurance capabilities to meet evolving regulatory and supervisory requirements
- Exposure to carbon tax, higher energy costs and other decarbonisation-related operating costs
- Increased cost of goods and services as suppliers respond to global policy and regulatory changes

LEGAL RISKS



Climate-related litigation continues to increase globally, with cases becoming more sophisticated and extending across a wider range of issues, jurisdictions and defendants. Claims are moving beyond governments and major carbon-emitting organisations to include financial institutions, corporate directors, climate-related disclosures, transition plans, carbon-offset claims and broader sustainability statements. Greenwashing and climate-washing remain key areas of exposure where climate commitments, net-zero targets or product claims are perceived as misleading, unsupported or inconsistent with underlying actions. For Discovery, legal risk is therefore most likely to relate to the accuracy, consistency and substantiation of our climate-related commitments, disclosures, products and stakeholder communications.

Key mitigating actions

- Implement our climate change strategy and Net-zero Transition Plan to strengthen strategic clarity, delivery and accountability
- Maintain robust governance, due diligence and disclosure controls to ensure climate-related commitments, disclosures and transition plan claims are accurate, balanced and appropriately substantiated
- Strengthen marketing and communications compliance processes for climate, sustainability, net-zero, carbon-neutral, offset and product-related claims across external reporting, campaigns and client communications

Potential operational and strategic impact

- Regulatory challenge where climate-related claims are perceived as misleading or unsupported
- Exposure to climate-related litigation, including greenwashing or climate-washing claims
- Increased legal, compliance and marketing review requirements for climate-related disclosures and communications

Potential financial impact

- Legal costs, regulatory penalties, fines or judgments
- Costs associated with crisis management, remediation and corrective communications

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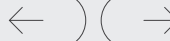
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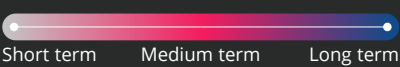


TIME FRAME



Transition risks *continued*

REPUTATIONAL RISKS



Growing expectations that businesses play a positive role in society places organisations under greater scrutiny. This continues to influence consumer, investor and broader stakeholder behaviour – making sustainability and climate action integral to long-term value creation and maintaining stakeholder confidence.

Discovery's climate change strategy and Net-zero Transition Plan publicly commit us to achieving climate-related goals. Delivery depends not only on our own actions, but also on external factors such as South Africa's pace of energy reform, the decarbonisation of key sectors and suppliers, and the availability of credible data and methodologies. Any perceived gap between our commitments, progress and stakeholder communications could affect trust and pose reputational risk.

Key mitigating actions

- Ongoing investment in research and development of products and services that extend our Shared-value model into the environmental space
- Implement and regularly refine our climate change strategy and Net-zero Transition Plan to strengthen delivery, accountability and real-world impact
- Collaborate with third parties and suppliers to align expectations and improve emissions visibility across our value chain

- Maintain transparent progress reporting and disciplined communication of climate-related commitments, assumptions and limitations

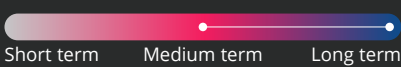
Potential operational and strategic impact

- Reputational harm or loss of stakeholder confidence if Discovery is perceived as falling short of its climate commitments or core purpose
- Changes in client, investor or partner preferences where expectations on climate action are not met
- Increased pressure to demonstrate credible progress, transparency and leadership across our ecosystem

Potential financial impact

- Reduced revenue from lower demand for products and services where stakeholder trust is affected
- Reduced access to capital or higher cost of capital where investor confidence is weakened
- Increased costs associated with stakeholder engagement, crisis management and corrective communications

MARKET RISKS



Growing public awareness of climate change influences client behaviour, creating market risk for companies that fail to offer products and services aligned with evolving needs. Climate change may influence product demand through relevant product offerings, affordable insurance, investment returns and the cost of meeting carbon neutrality commitments.

The increased frequency and severity of weather-related events may drive up claims costs, making insurance premiums less affordable in high-risk regions and potentially reducing product availability and sector growth. Climate change may also affect economic growth and investment returns. Investments in carbon-intensive or transition-sensitive companies may become impaired or stranded if they lack credible transition plans. Dependence on global supply chains exposed to climate and nature-related risks may further affect inflation and the affordability of insurance products.

While Discovery's carbon neutrality commitment is primarily supported by emissions reduction through the Net-zero Transition Plan, credible carbon offsets may be used for residual emissions that are difficult to abate in the near term. Over the longer term, our net-zero ambition may also require access to high-integrity carbon removal projects to address residual emissions that cannot be eliminated through direct reduction. This creates some exposure to the availability, quality and price of credible offsets and carbon removals, reinforcing the importance of prioritising direct emissions reduction and disciplined procurement.

SUS Refer to our Sustainability Report for more information on our responsible investment approach and an overview of our assets under management.

Key mitigating actions

- Develop innovative products that are competitively positioned and climate-relevant
- Implement risk-based pricing, underwriting and preventive measures to manage claims costs and product sustainability
- Monitor affordability and customer fairness implications of climate-related repricing and product changes
- Manage exposure to carbon-intensive and transition-sensitive investments through the Responsible Investment Policy and Net-zero Transition Plan
- Monitor the availability, quality and cost of credible carbon offsets and carbon removals while prioritising emissions reduction

Potential operational and strategic impact

- Repricing or changes to underwriting appetite in response to increased weather-related claims
- Reduced affordability, availability or attractiveness of insurance in higher-risk areas
- Shifts in client preferences towards climate-relevant products and services, increasing competitive pressure
- Increased complexity in meeting carbon neutrality/long-term net zero commitments if credible carbon offsets or removals become costly, scarce or subject to greater scrutiny

Potential financial impact

- Increased investment in climate-relevant product innovation, pricing and analytics
- Revenue loss or gain from shifts in client demand and product competitiveness
- Reduced investment returns from carbon-intensive or transition-sensitive exposures
- Margin pressure where claims costs, reinsurance costs or affordability constraints cannot be fully passed on
- Higher or more volatile costs associated with procuring credible carbon offsets and carbon removals

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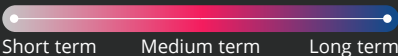
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Transition risks *continued*

TECHNOLOGY RISKS



The increasing dependence on digital infrastructure, data processing, cloud-based services and AI is driving higher energy consumption and technology-related emissions across the financial services industry. As climate-related regulations, stakeholder expectations and disclosure requirements evolve, companies will need to transition to lower-emissions technologies, improve energy efficiency and better understand the climate impact of technology-related emissions.

For Discovery, this includes emissions arising from data centres, cloud services, server rooms, end-user devices, software providers and the growing use of AI-enabled services. While technology enables climate risk measurement, emissions tracking, scenario analysis and digital service delivery, accelerated adoption of data-intensive technologies is expected to increase energy demand and Scope 3 emissions. Discovery's reliance on major cloud and technology providers creates dependency on their decarbonisation pathways, renewable energy sourcing, emissions reporting and data quality, which may limit direct control over technology-related emissions and make outcomes partly dependent on supplier performance and methodology maturity.

Key mitigating actions

- Measure and track the Group's technology-related energy use and emissions, including those associated with data centres, cloud services, equipment and AI-enabled services
- Implement energy efficiency, cloud optimisation and renewable energy initiatives through the Net-zero Transition Plan
- Engage material technology suppliers on their sustainability strategies, emissions data, renewable energy use and decarbonisation plans
- Assess the sustainability implications of emerging technologies, including AI, to support responsible adoption and alignment with the Group's climate commitments

Potential operational and strategic impact

- Increased need to transition to lower-emissions and energy-efficient technology infrastructure
- Greater complexity in measuring and managing technology-related Scope 3 emissions, particularly for cloud, software and AI-enabled services
- Increased dependence on supplier sustainability performance, emissions data and decarbonisation pathways
- Balancing trade-offs between digital innovation, AI adoption and climate-related commitments, while seeking net positive outcomes through AI-enabled personalisation, improved health and wellbeing outcomes, operational and workforce efficiency, and greater resource productivity

Potential financial impact

- Increased investment in energy-efficient technology, cloud optimisation, emissions measurement and supplier engagement
- Higher costs where lower-emissions technology solutions or renewable-powered services are required
- Potential costs from replacing, upgrading or retiring legacy or inefficient technology assets

PG 24 Refer to our metrics section for detail on our GHG emissions, resource and energy source efficiencies and employee engagement.



RISK RATING:



TIME FRAME



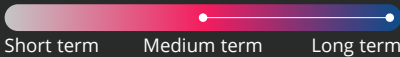
Physical risks

Physical climate risks are increasing globally, including across our primary markets. These risks may be acute or chronic and may affect operations, supply chains, insurance portfolios, client health, critical services and business continuity. Over time, they may contribute to higher claims costs, repricing pressures and reduced affordability and accessibility of insurance.

IA

Climate-related physical risks threaten business continuity. Refer to our Integrated Annual Report for more information on organisational resilience risk and concerns around infrastructure.

ACUTE AND CHRONIC RISKS



Acute risks are event-driven and include extreme weather events such as floods, hailstorms, wildfires, severe storms and heatwaves. In South Africa, this includes the increased frequency and severity of hailstorms in Gauteng and flooding in KwaZulu-Natal, the Eastern Cape and the Western Cape, leading to elevated insurance claims. The UK and China have also experienced extreme heat events, droughts and wildfires. Nature degradation may amplify these impacts where weakened ecosystems, degraded wetlands, poor catchment management or reduced vegetation cover increase flood severity, erosion, runoff and infrastructure damage.

Severe climate events may also cause disruption to premises, employees, suppliers, healthcare providers, repair networks and critical infrastructure such as electricity, water, transport and telecommunications. Continued claims volatility could lead to higher reinsurance costs, increased deductibles, tighter terms and reduced insurance affordability. Seasonal climate variability, such as expected El Niño conditions, may heighten near-term exposure to drought, heat stress, water constraints, wildfires and weather-related claims volatility in affected regions.

Chronic risks relate to gradual shifts in climate and environmental conditions, such as rising temperatures, air pollution, changing rainfall patterns, water scarcity, sea level rise and nature degradation. These changes may affect water and food security, air quality, disease patterns, community resilience and long-term health outcomes. Furthermore, these factors may heighten mortality and morbidity risks due to respiratory issues, heat-related illness and vector-borne diseases such as malaria as well as reduced physical activity and mental health challenges.

Over time, chronic risks may place sustained pressure on claims experience, healthcare systems, provider networks, workforce wellbeing, product design and risk forecasting. They may also contribute to longer-term infrastructure stress and service continuity challenges.

Key mitigating actions

- Apply traditional insurance mitigation tools, including underwriting, repricing, reinsurance, reserving and capital processes
- Assess physical climate and nature-related risk exposures across high-risk areas, including flooding, hail, wildfire, drought, water stress and infrastructure vulnerability
- Monitor trends to understand the impacts of climate change and nature degradation on mortality, morbidity, disease patterns and claims experience
- Monitor seasonal climate outlooks, including expected El Niño conditions, to inform claims monitoring, underwriting, operational resilience and business continuity planning
- Strengthen organisational resilience through business continuity, crisis response and operational recovery planning for severe weather events and infrastructure disruption
- Assess the resilience of material third parties and critical service providers, including healthcare providers, repair networks, suppliers and technology/service partners exposed to physical climate risks
- Leverage our Vitality Shared-value model to support client adaptation to the potential health implications related to chronic risks

The time horizons over which we apply these mitigation strategies depend on the nature of the product, exposure and our risk appetite. While chronic physical risks and their impact on claims experience may emerge over the medium to long term, acute risks are already being experienced in parts of the business. We continue to monitor these risks and adjust insurance, operational resilience and business continuity measures where appropriate.

Potential operational and strategic impact

- Increased short-term insurance claims, particularly affecting motor and property policies, as well as life and health claims linked to accidental deaths, injuries and disease exposure
- Increased mortality, morbidity and the incidence of chronic and acute conditions affecting claims experience, product design and risk forecasting
- Increased pressure on healthcare services and provider networks where climate-related events affect demand, access or continuity of care
- Disruption to premises, employees, operations, suppliers, healthcare providers, repair networks or client servicing
- Greater pressure on business continuity, claims handling, crisis response and recovery capabilities
- Increased resourcing requirements and data and analytical capabilities arising from higher claims volumes

Potential financial impact

- Increased claims costs
- Increased capital requirements to absorb rising claims volatility, systemic weather events and longer-term climate-related uncertainty
- Greater investment in climate and nature-related data, analytics and risk assessment capabilities
- Increased costs to strengthen resilience of facilities, technology, suppliers, healthcare providers and operations
- Higher business continuity, crisis response and recovery costs
- Increased costs from disruption to supplier, repair, healthcare or other critical service-provider networks

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Refer to the opportunities section for how our businesses are identifying and innovating to mitigate risks.

SUS

Refer to our Sustainability Report for details on how we are supporting disease prevention and healthy behaviour change.

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Climate-related risk exposures

The impact of these risks depends on the sector, product and geographical location. The Group’s main climate-related exposures are as follows:



GENERAL INSURANCE BUSINESS

High

Direct exposure

Discovery Insure is a personal lines business with no exposure to the business insurance risk market, following its exit from the commercial insurance market in FY2025. The business experienced increased weather-related claims during the year. Clients in KwaZulu-Natal, the Eastern Cape and the Western Cape endured severe floods in FY2026 and are exposed to rising sea levels. The Western Cape is also at risk of increased droughts that could escalate the risk of fires. Gauteng clients are mainly exposed to increased flooding and hailstorms. Damaging storms, poor infrastructure and ineffective drainage can further exacerbate the severity of damage and claims experience. Nature degradation, including poor catchment management, reduced vegetation cover and degraded drainage systems, may further amplify flood, runoff, erosion and fire-related impacts in affected areas.

Continued weather-related claims volatility could influence reinsurance market conditions over time, potentially resulting in higher reinsurance costs, increased deductibles or tighter terms.

LIFE (SA AND UK) AND HEALTH (UK) INSURANCE BUSINESSES

Medium

Limited exposure

There is currently no observable material impact of climate-related risks on morbidity or mortality rates experienced by our businesses. However, chronic climate and nature-related risk drivers, may affect long-term mortality and morbidity experience.

Current research and available scenarios focus predominantly on heat-related impacts and provide limited insight into wider health outcomes and potential climate tipping points. If major Earth systems were to reach tipping points, this could alter climate hazards and claims outcomes in ways not fully captured in current modelling.

These factors are incorporated into long-term modelling through stress testing and scenario analysis where possible. While current models do not indicate a material impact, the long-term nature of these risks and limitations of available scenarios make quantification challenging. We continue to research potential impacts on the healthcare environment and refine our approach as evidence develops.

DISCOVERY BANK (SA)

Medium

Limited exposure

Discovery Bank is a retail bank and does not participate in commercial lending or financing of infrastructure and large-scale projects. It lends only to retail clients, with the book self-funded through retail deposits.

The bank’s home loan offering creates limited physical risk exposure through residential property collateral, which is mitigated through compulsory building insurance. As the book grows, we will continue to monitor potential impacts on collateral values, client affordability and property resilience in higher-risk areas.

HEALTH BUSINESS (SA)

Medium

No claims exposure

Discovery Health operates as the administrator for Discovery Health Medical Scheme and other restricted medical schemes, and does not have direct claims exposure. However, climate-related factors may affect the medical scheme environment through changes in disease patterns, healthcare demand, provider network pressure, and access to or continuity of care where climate-related events affect healthcare services.

We will continue to research and monitor these potential impacts, including the extent to which physical climate and nature-related risks may affect healthcare access, affordability, provider capacity and continuity of care over time.

OTHER BUSINESSES WITHIN THE GROUP (INCLUDING VITALITY GLOBAL MARKETS)

Medium

Limited exposure

Other businesses within the Group have limited direct claims exposure to physical climate risks but may be affected indirectly through dependencies on partners, suppliers, service providers, clients and infrastructure. Severe weather events or infrastructure failures may disrupt operations, technology services, partner delivery or client servicing. We continue to monitor these exposures as part of partner engagement and operational-resilience planning.

PG For details on our progress in modelling impacts, refer to the scenario analysis section alongside.

SUS For details on emerging risks and research related to health, refer to our Sustainability Report.

Scenario analysis

Scenario analysis enables a business to understand how it could perform under different hypothetical future climate states, thereby strengthening decision-making and improving strategic resilience. Through climate-related scenarios, a business can build insights into how the physical and transition risks of climate change, and related opportunities, might plausibly develop in different ways and how the business might be impacted over time.

Discovery is quantifying the impact of climate change risk on its entities through climate change scenario analysis. This is a complex exercise given the uncertain and long-tail nature of the risks linked to climate change. We have also started considering how these risks are interlinked, and we are investigating qualitative scenarios aligned with those set out by the Network for Greening the Financial System (NGFS), as well as guidance from the University of Exeter.

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Aligning climate scenarios with stress testing and scenario categories

Discovery's enterprise suite of stress tests and scenarios is used to assess the key risk drivers reflected in the three climate scenarios outlined below. Together, these scenarios provide a structured view of how different combinations of physical, transition, reputational and financial risks could affect the Group under plausible future climate pathways. Scenario 1 reflects an orderly transition with more balanced and manageable risk dynamics; Scenario 2 focuses on heightened physical risk and potential catastrophic claims impacts; and Scenario 3 emphasises the financial, market and reputational shocks that could arise from a delayed and more disorderly transition.

CLIMATE SCENARIO	Physical risk focus	Transition risk focus	Reputational risk focus	Financial impact
	Scenarios and single-factor stresses with drivers linked to claims risk	Scenarios and single-factor stresses with drivers linked to economic risk	Scenarios and single-factor stresses with drivers linked to reputational risk	IS Income statement FP Statement of financial position
SCENARIO 1: Orderly transition (Net zero by 2050) Moderate physical risk, moderate transition risk (~1.5°C warming; net-zero CO ₂ by ~2050)	Moderate physical risk: Physical climate risks increase gradually under this scenario, with some rise in weather-related claims, particularly in motor and property, and potential longer-term mortality and morbidity impacts linked to heat exposure, air quality, water stress and changing disease patterns. These impacts are expected to emerge more gradually than in Scenario 2. While underwriting, pricing and reserving actions would respond as trends are assessed, they may not fully offset adverse claims experience immediately, as management would first need to determine whether changes are sustained. Severe claims losses are expected to be lower than under a high physical risk pathway.	Moderate transition risk: Climate policies are implemented in an orderly and predictable manner, reducing the likelihood of severe economic shocks. Economic-linked stresses assume a gradual transition shaped by policy signals, technology adoption, innovation and investment in lower-carbon business models. We assess transition-related expenditure, potential carbon tax impacts, supplier cost pressures and shifts in investment portfolios, while prioritising emissions reduction through the Net-zero Transition Plan.	Moderate reputational risk: We must meet our decarbonisation targets and adapt the business accordingly. Risks include failure to meet commitments, perceived slow progress, or climate-related claims that are not clearly supported by underlying actions. Under an orderly transition, credible progress and transparent communication can enhance reputation, while falling short could moderately harm stakeholder trust.	IS Carbon taxes, compliance costs, supplier cost pressures and implementation costs related to the Net-zero Transition Plan may moderately increase expenses and place some pressure on margins. Gradual increases in weather-related claims may also create some short-term earnings pressure before pricing, underwriting or reserving actions fully respond to sustained adverse experience. FP Decarbonisation initiatives related to the Net-zero Transition Plan may require capital expenditure, while orderly transition conditions reduce the likelihood of severe climate-related asset impairments.
SCENARIO 2: Current policies continue High physical risk, low transition risk (~3°C warming by 2100; emissions peak ~2080)	High physical risk: Extreme climate events, chronic changes in environmental conditions and steadily rising claims rates are the primary concern. This scenario includes mortality, morbidity and catastrophe stresses, as well as severe single-factor claims stresses, to approximate the impact of physical climate risks on claims rates. These may arise from more frequent and severe weather events, as well as longer-term drivers such as sustained heat exposure, poorer air quality, water and food stress, changing disease patterns and pressure on healthcare systems. It also considers operational disruption from infrastructure failures, supplier disruption, healthcare provider pressure and business continuity impacts. With limited transition-driven disruption, risk in this scenario is largely physical.	Low transition risk: With limited new climate policies in the near term, there is no major economic shock expected from climate regulation. We do not expect a climate-triggered recession in this scenario. However, we apply single-factor stresses to test the impact on new business volumes and lapses that apply if insurance becomes unaffordable due to higher claims rates over time.	Moderate to high reputational risk: In the short term, reduced policy pressure may lower immediate transition-related reputational risk. However, prolonged inaction or insufficient adaptation could erode reputation over time if stakeholders perceive Discovery as unresponsive to intensifying physical climate risks or affordability pressures.	IS Elevated claims payouts, healthcare cost pressures and operational disruption may erode underwriting profits and cause losses in extreme years, although traditional mitigation actions such as repricing, underwriting and reinsurance can reduce this risk. Profit trajectory and growth may also be affected if insurance becomes less affordable, new business volumes reduce or lapses increase. FP Greater reserves, reinsurance and operational resilience investment may be required for retained business, while some assets or exposures in high-risk areas may lose value, attract higher deductibles or become harder to insure. Higher mortality and morbidity exposures may also increase regulatory capital requirements over time.
SCENARIO 3: Delayed transition Low physical risk, high transition risk (<2°C warming; emissions peak ~2030)	Low to moderate physical risk: Physical risks may continue to increase in the near term before stronger transition action limits longer-term warming. Discovery continues to run claims-related stresses and scenarios to test resilience to early physical impacts up to and beyond 2030, including weather-related claims volatility and potential operational disruption. Longer-term physical risk remains lower than in Scenario 2, with the main risk driver under this scenario being the delayed and more abrupt transition response.	High transition risk: A delayed and abrupt policy response after 2030 could create significant economic and market disruption. Discovery approximates the effects of steep carbon pricing, rapid asset repricing, higher inflation, reduced economic activity, credit stress and market volatility. This tests the Group's resilience to a disorderly transition and supports capital and contingency planning.	High reputational risk: A delayed transition could lead to heightened scrutiny when policy and market adjustments accelerate. Businesses perceived as unprepared, slow to act or inconsistent in their climate-related commitments and communications could face stakeholder, investor and client pressure. Discovery's stresses and scenarios consider reputational harm, including accusations of greenwashing, lagging on climate commitments or insufficiently credible transition planning.	IS A policy shock could create recessionary conditions, lower revenue, higher credit losses, higher operating costs, including carbon, supplier and transition-related costs, and reduced investment returns, affecting earnings. FP Rapid asset repricing may result in write-downs of carbon-intensive or transition-sensitive exposures and place pressure on capital buffers.



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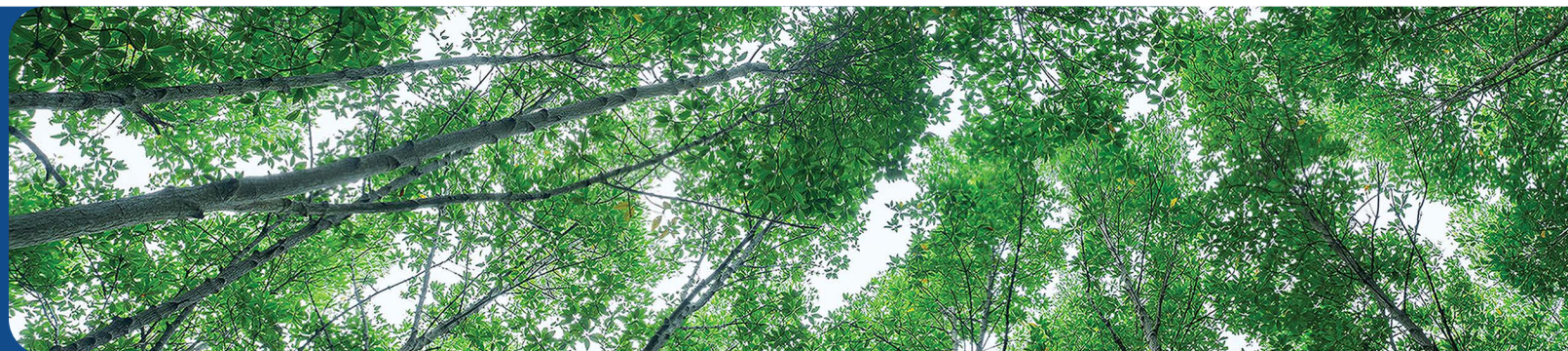
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Climate-related opportunities

The transition to a lower-carbon, climate-resilient economy presents a range of opportunities across the regions, markets and industries where we operate. We capitalise on these by leveraging our model and capabilities to develop innovations that deliver on our core purpose.



Integrating climate-related considerations into our operations and value chain

We are implementing energy efficiency and savings initiatives to reduce our carbon footprint and aligning our business decisions and policies with a net-zero future. This includes integrating climate-related considerations into our risk management, investments and interactions with partners and other stakeholders across our value chain.

SUSTAINABLE PROCUREMENT PRACTICES

Discovery recognises that its supply chain plays an important role in managing environmental impacts and supporting its sustainability and climate objectives. We integrate sustainability-related criteria into procurement evaluations to prioritise an optimal combination of quality, price and sustainability. In addition, we engage suppliers to improve visibility of value-chain impacts, encourage more sustainable practices and identify opportunities for collaboration.

SUS Further detail on our responsible sourcing approach and supplier engagement is provided in our Sustainability Report.

PG 24 Refer to the Metrics and targets chapter for more information on our supply chain engagement and related Scope 3 objectives.

RESPONSIBLE INVESTMENT

We seek to act in the best long-term interests of beneficiaries as an asset owner and institutional investor. As a signatory to the Principles for Responsible Investment, we incorporate ESG considerations into investment practices in line with our Group Responsible Investment Policy.

While our ability to directly influence certain portfolios varies by asset class and investment structure, we engage with our asset managers to encourage credible climate-related commitments and stewardship through proxy voting and engagement with investee companies. We monitor these commitments and stewardship activities through periodic reporting and due diligence questionnaires received from our asset managers.

PG 24 Refer to the Metrics and targets chapter for progress on asset-manager engagement and measurement of financed emissions.

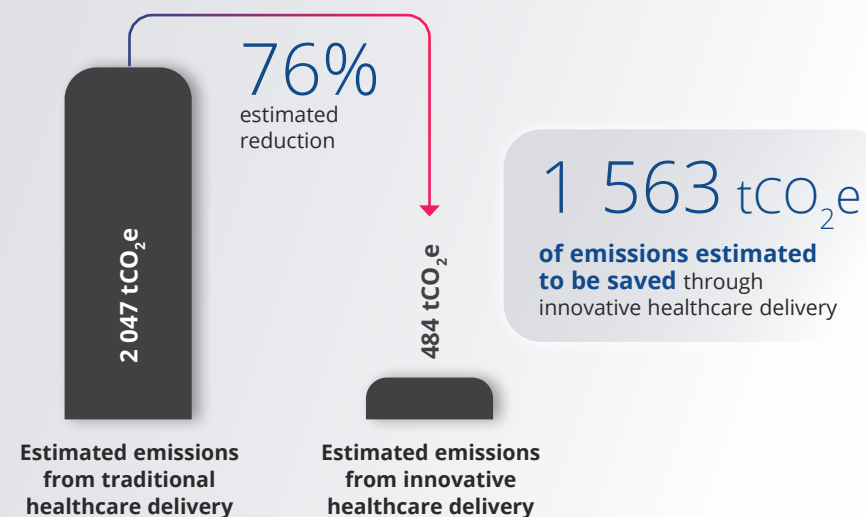
SUSTAINABLE INSURANCE

We are a signatory to the UNEP FI PSI, reflecting our ongoing commitment to sustainability and leadership. We are in the process of implementing the four principles for sustainable insurance and playing our part in strengthening the insurance industry's contribution to sustainable development as risk managers, insurers and investors. We submitted our annual disclosure to the UNEP FI in FY2026.

CLIMATE IMPACT OF INNOVATIVE HEALTHCARE JOURNEYS

As part of our commitment to sustainable healthcare, we are quantifying the estimated reduction in emissions from our innovative healthcare journeys. This compares digital pathways, hospital-at-home admissions and home-based nurse visits to traditional care delivery. Our analysis reflects the dual value of these innovative journeys: they extend access to care while reducing the climate impact of healthcare delivery. These insights will inform our understanding of the emissions associated with healthcare delivery.

SUS For details on sustainability-related engagement across our value chain refer to our Sustainability Report.



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Extending our Shared-value model to provide climate-related solutions

Our research and development initiatives focus on understanding and mitigating transition and physical risks and capitalising on opportunities associated with climate change. Products, services and initiatives that demonstrate our risk-informed development and partnership approach include:

- **Discovery Health** and **VitalityHealth (UK)** are advancing **digital healthcare solutions** that enable clients to access and manage care online, reducing unnecessary travel and associated emissions. In the UK, digital channels are now the default communication preference for new members. Reducing the need to print documents and increasing the number of claims completed end-to-end online will reduce Scope 3 emissions. This will be balanced with the need to continue providing the right care, at the right time, in the right way, to our clients.
- **Discovery Bank advances environmentally friendly practices** through its predominantly digital model, which minimises environmental impact. Discovery Bank surveyed its home loan clients to determine awareness of and interest in sustainable home solutions, including renewable energy products, and identify areas for value-added services.
- Discovery Insure's **Pothole Patrol initiative**, in collaboration with the Johannesburg Road Agency and Avis Southern Africa, identifies and prioritises potholes to be repaired. This helps increase road safety and efficiency, especially during severe weather events.
- Through Vitality Drive, Discovery Insure incentivises **good driving behaviours** like not speeding and avoiding harsh braking, which **results in lower carbon emissions**.
- **Discovery Insure's Fire Force** provides a fire response network in Johannesburg that responds to fire incidents, while our **Discovery 911 smoke detector offers early warning and always-on protection** with instant fire responses.
- **Discovery Health Global offers a Vitality Malaria Benefit to reduce the incidence of malaria**, as variations in climatic conditions, such as temperature, rainfall patterns and humidity, change malaria transmission patterns.
- Discovery Invest offers the **Discovery global megatrends fund** that allows clients to invest in global megatrends, including technological advancement, environmental sustainability, the future of healthcare and the new-age consumer.
- **Vitality**, our behaviour-change platform, applies insights from behavioural economics, clinical science, driving habits and personal financial management to **encourage positive behaviour change**. By identifying the link between behaviour and outcomes, Vitality focuses on interventions that can improve long-term risk outcomes, including those related to climate change.

SUS Refer to the make people healthier section of our 2026 Sustainability Report for more information.

In the UK, we collaborate with partners to incentivise and reward our clients for making healthier lifestyle choices. Initiatives include:

- **Promoting circular tech use:** When members upgrade their Apple Watch through Vitality, they can trade in their previous device for reuse, receiving enhanced trade-in value, promoting device reuse and reducing e-waste
- **Rewarding low-waste habits:** Members are rewarded with a loyalty reward stamp when they bring a reusable cup when redeeming their hot drink at our coffee partner, reducing single-use waste and supporting more sustainable daily habits
- **Supporting responsible consumption:** Vitality includes access to environmentally conscious lifestyle offers, such as booking hotels with sustainability initiatives and recipe boxes which are ethically and sustainably sourced, empowering members to make decisions that align with planetary health
- **Encouraging more sustainable choices:** Members have access to benefits that will help reduce the barriers to cycling, supporting more active ways to commute

Launched in September 2023, Discovery Green revolutionises access to renewable energy for businesses through facilitated wheeling across South Africa.

Discovery Green

Launched in September 2023, Discovery Green revolutionises access to renewable energy for businesses through facilitated wheeling across South Africa. It extends our Vitality Shared-value model by making renewable energy more accessible, aiding decarbonisation efforts, reducing reliance on fossil fuels and offering greater cost stability. Leveraging wheeling frameworks set out by NERSA, Discovery Green aims over time to help address challenges in South Africa's electricity supply.

Capitalising on Discovery's actuarial and technology expertise, the platform connects renewable energy plants to businesses through three tailored products:

- **GREEN SAVER:** maximises both savings and coverage by replacing 90% of energy demand with renewable energy
- **GREEN GUARANTEE:** enables businesses to achieve 100% renewable energy use, significantly reducing carbon emissions
- **GREEN FLEX:** offers businesses the chance to take their first step in renewable energy with a 40% coverage solar product, with a clear strategy towards maximising future coverage

Discovery Green, in partnership with Sasol, provides Ampli Energy, a month-to-month renewable energy product, empowering SMMEs and smaller corporates previously excluded from electricity wheeling.

SUS For more details on Discovery Green's progress, refer to our 2026 Sustainability Report.



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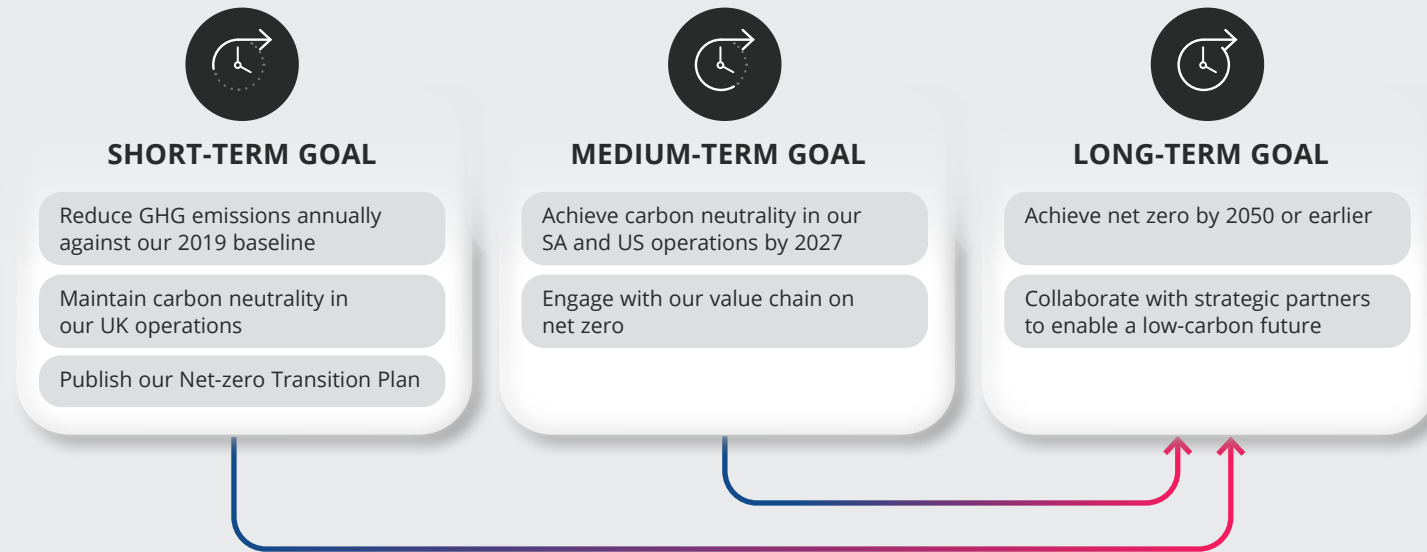
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Climate-related commitments

Discovery is committed to reducing our environmental impact and improving our environmental performance as an integral part of our business strategy. As set out in our climate change strategy, our three absolute climate-related goals drive progress, ensuring we reduce GHG emissions and support the transition to a low-carbon future.

Discovery has invested significantly in lower-carbon operations and recognises opportunities to further reduce our carbon emissions. To support this transition, we continuously strengthen the measurement, monitoring and reporting of our emissions data.

The graphic below reflects our goals during this reporting year, and it will be updated and refined as we achieve our targets and milestones on our journey to net zero.



PG 7 For more information on our specific targets.

Discovery has invested significantly in lower-carbon operations and recognises opportunities to further reduce our carbon emissions. To support this transition, we continuously strengthen the measurement, monitoring and reporting of our emissions data. This includes detailed monthly reporting on energy and emissions trends, ongoing data quality improvements, targeted stakeholder engagement and the tracking of decarbonisation initiatives.

We continue to advance our understanding and measurement of Scope 3 emissions and set near-term targets focused on the most material sources across our value chain. Our Net-zero Transition Plan outlines our ambition to become a net-zero business by 2050 or earlier, along with our near- and long-term targets and implementation plans. We will update and refine the plan as the market develops and our processes and data mature. The plan will be implemented within the framework of our climate change strategy. Our climate-related commitments and performance are detailed on the following pages.

For more detail, refer to our Net-zero Transition Plan online.



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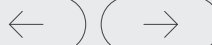
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Progress against our short-term goal

Our short-term goal is to reduce GHG emissions annually against the 2019 baseline and establish foundational capabilities to support long-term decarbonisation. Our short-term climate targets support annual emissions reductions in line with the Paris Agreement and global scientific pathways to limit temperature increases to below 1.5°C, as well as the capabilities required to support longer-term decarbonisation.

PG 29 For more detail on our GHG emissions.

Target and milestones	Metric, type and base period (where relevant)	FY2026 progress	
Publish our Net-zero Transition Plan	METRIC: Transition plan to achieve net zero TYPE: Qualitative	■ Published our Net-zero Transition Plan in October 2025	
Reduce Scope 1 and 2 emissions cumulatively by 29.4% (25 343 tCO ₂ e) for FY2026 against an FY2019 baseline of 35 897 tCO ₂ e, using a science-aligned methodology	METRIC: GHG emissions (tCO ₂ e) TYPE: Absolute BASE PERIOD: FY2019	■ Reduced Scope 1 and 2 emissions by 34.1% (23 651 tCO ₂ e) for FY2026, against the 2019 baseline, exceeding our target of 29.4%	■ Our rooftop solar installations continued to reduce our reliance on the grid and generators, contributing 4.8% of the Group's energy needs from renewable resources (FY2025: 4.7%)
Maintain carbon neutrality in the UK (Scope 1 and 2 emissions)	METRIC: GHG emissions (tCO ₂ e); carbon offsets (tCO ₂ e) TYPE: Absolute BASE PERIOD: FY2019	■ Vitality UK maintained carbon neutrality (Scope 1 and 2), including offsetting 382 tCO ₂ e through health and nature-focused projects in Africa and Brazil through our partner Carbon Footprint, a quality assurance standard-certified carbon-offset provider	
Ongoing reduction of Group GHG emissions to align with global climate ambitions	METRIC: MWh/kWh electricity consumption; energy reduction; certification status TYPE: Qualitative	■ Integrated emissions reduction initiatives into operational planning, including energy efficiency, renewable energy procurement and facilities-related initiatives ■ Maintained ISO 14001:2015 certification at 1 Discovery Place and our Cape Town office, while our landlord implemented the ISO 50001 (energy management) standard at our leased Gqeberha office ■ 1 Discovery Place has a six Green Star rating and our Cape Town office has a five Green Star rating, demonstrating best practice in green building standards ■ Maintained our 2-star FitWel® accreditation, a leading global standard for healthy buildings, at our London and Bournemouth offices in the UK	■ Sourced 100% renewable electricity in our Vitality-occupied offices and maintained a 100% hybrid nurse fleet in the UK ■ Guided by UK legislation, Vitality UK implemented 10 of the 11 energy-saving opportunities identified in its Energy Saving Opportunities Scheme (ESOS) action plan and continues to implement the remaining opportunity ■ Implemented structured data acquisition and reporting improvements, including standardisation, automation and improved auditability of emissions data ■ Launched a new electric vehicle salary sacrifice scheme partner to support lower-emission commuting in the UK, and ran a campaign with our UK carpooling partner to promote their new Liftshare app
Maintain zero waste-to-landfill accreditation for SA and extend to the UK	METRIC: Waste-to-landfill accreditation status TYPE: Qualitative	■ Maintained net-zero waste-to-landfill accreditation at all our main offices in South Africa (1 Discovery Place, Cape Town, KwaZulu-Natal and Gqeberha)	■ 88% of the Group's waste was recycled (FY2025: 90%), with 10% sent to landfill (FY2025: 8%)



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Progress against our medium-term goal

We aim to deliver carbon-neutral operations by 2027 by reducing the operational (Scope 1 and 2) emissions in our SA and US operations as far as possible and to neutralise any remaining emissions, while maintaining carbon neutrality in the UK. This goal is informed by a review of our operations and audits of our baseline energy consumption and GHG emissions.

Our carbon-neutral goal is supported by behavioural and structural changes. These include consolidating smaller offices into our head and regional offices; reducing heating and cooling during weekends and holiday periods; implementing behaviour-change strategies for building occupants; installing additional submeters for detailed energy monitoring; expanding solar energy across more properties; and exploring Green Star accreditation at new regional sites. Given that nearly 97% of the Group's emissions originate from our SA operations, our carbon reduction efforts are primarily directed towards these activities.

PG 23 For more detail on Discovery Green.

Target and milestones	Metric, type and base period (where relevant)	FY2026 progress
Achieve carbon neutrality in our SA and US operations by 2027 (Scope 1 and 2 emissions)	METRIC: GHG emissions (tCO ₂ e); carbon offsets (tCO ₂ e) TYPE: Absolute BASE PERIOD: FY2019	■ Following the launch of Discovery Green in 2023, we made a strategic decision to defer third-party renewable energy procurement in favour of leveraging our own platform ■ 1 Discovery Place accounts for around 63% of the Group's Scope 1 and 2 emissions. Through a wheeling agreement, Discovery Green is expected to supply the premises with 100% renewable energy late in 2027, reducing Scope 1 and 2 emissions by over 55%. We are also exploring the viability of supplying renewable energy to our other regional offices ■ Expanded the carbon-neutral modelling scope to include additional territories, such as the US and Asia, supporting a comprehensive Group-wide approach
Reduce absolute Scope 1 and 2 emissions by 70% by 2030 across the Group from a 2019 baseline	METRIC: GHG emissions (tCO ₂ e) TYPE: Absolute	■ Implemented and tracked energy-efficiency initiatives, including renewable electricity sourcing and facility upgrades, aligned with emissions reduction pathways. Through these initiatives, we aim to optimise energy performance until 2030, beyond which additional efficiency improvements are likely to deliver only marginal benefits ■ Continued engaging internal teams to align operational initiatives with emissions reduction targets and embed accountability ■ Further refined Scope 1 and 2 models by integrating SA, UK and US data into a consolidated Group view ■ In the UK, we: - Currently operate a mix of petrol plug-in hybrid and self-charging hybrid electric vehicles. We plan to trial our first electric nurse vehicle within the next year, with an ambition for electric vehicles to comprise 25% of the fleet by 2030 and 50% by 2035. This depends on nurses being able to charge their vehicles at home and on technology development over the next decade - Relocated to our new Stockport office in July 2026, which has an 'Excellent' BREEAM rating and EPC 'A' certification, reflecting high standards of energy efficiency and sustainability - Deployed Rensair's advanced air purification system in the new Stockport office to improve indoor air quality and reduce carbon emissions through more efficient operation of the existing HVAC system

We aim to deliver carbon-neutral operations by 2027 by reducing the operational (Scope 1 and 2) emissions in our SA and US operations as far as possible and to neutralise any remaining emissions, while maintaining carbon neutrality in the UK.



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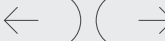
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Progress against our long-term goal

Our long-term goal is to achieve net-zero GHG emissions (across Scopes 1, 2 and 3) by 2050 or earlier, including at least a 90% reduction in emissions. It is supported by our short- and medium-term goals and by our work to gain a comprehensive understanding of our Scope 3 emissions, where the greatest opportunities for reductions lie.

Our net-zero programme provides Group-wide governance, oversight and accountability for implementing our Net-zero Transition Plan. It coordinates focused workstreams to reduce Scope 1 and 2 emissions, strengthen Scope 3 measurement and data quality, and engage asset managers, partners and suppliers on value chain emissions. Our Scope 3 boundary is limited to select categories to date and will continue to evolve as we implement our Net-zero Transition Plan and improve data availability and quality. Refer to Annexure 1 for more detail on our Scope 3 emissions.

Discovery registered with the Science Based Targets initiative (SBTi) in FY2025 to explore the submission and validation of near-term, science-aligned emissions reduction targets. We are assessing the relevance of the SBTi framework, including its updated Financial Institutions Net Zero guidance, as well as the appropriate scope and supporting data, policies and governance required for any future commitment. No final decision has been made, and we remain focused on ensuring that any commitment is credible, practical and achievable.

Refer to our Net-zero Transition Plan for more detail, including interim targets for each commitment.

Target and milestones	Metric, type and base period (where relevant)	FY2026 progress	
Reduce Scope 3 emissions by at least 90% by 2050, neutralising unabated emissions	METRIC: GHG emissions (tCO ₂ e) TYPE: Absolute	- Scope 3 carbon emissions for FY2026 totalled 3 076 698 tCO₂e (FY2025: 3 079 639 tCO₂e) - Continued to refine Scope 3 emissions modelling and prioritisation, particularly in high-impact categories such as purchased goods and services (category 1) and investments (category 15)	Our data analytics platform provides a broader dataset across Scope 1, 2 and relevant Scope 3 emissions enabling disaggregated, activity-level tracking to improve accountability and performance management
Facilitate a reduction in emissions to clients through Discovery Green and Ampli Energy, with staged emissions reduction targets increasing over time	METRIC: tCO ₂ e/year enabled for clients TYPE: Absolute (enabled reduction)	Reached financial close on two renewable energy projects, with construction commenced on both. This brings the portfolio to 740 MW of generation capacity, an expected 2 095 GWh of renewable energy annually and approximately two million tCO₂e avoided each year once commercial operations begin	Continued to expand access to wheeled renewable energy during the year through landmark long-term power purchase agreements with the University of Cape Town, York Timbers, Glencore and Afrox
Improve Scope 3 data specificity by measuring Vitality partner data using partner-specific methods and engage partners on net-zero targets	METRIC: % of partner data measured TYPE: Relative BASE PERIOD: FY2024	Developed a Vitality partner engagement and emissions measurement plan	Engaged with Vitality UK partners to confirm and track their net-zero commitments, and applied reward-specific emission factors to 41% of FY2025 Vitality programme emissions, based on FY2025 spend
Achieve net-zero supply chain emissions by 2050, with interim milestones for supplier engagement and science-aligned target adoption	METRIC: Supply chain emissions; supplier engagement and target adoption TYPE: Absolute and relative BASE PERIOD: FY2024	- Progressed supplier engagement initiatives, including targeted engagement to improve data availability and accuracy - Engaged with 80% of our top-spend South African suppliers and 62% of all UK suppliers based on FY2025 spend, collecting GHG emissions data, confirming net-zero and science-aligned target alignment and identifying opportunities for collaboration	Rolled out the supplier ESG questionnaire in SA to tail-end suppliers, with responses being evaluated
Achieve 100% of assets under management (AUM) managed by asset managers with climate-related commitments by 2050, with interim milestones for science-aligned target adoption	METRIC: % of AUM with science-aligned targets TYPE: Relative	- Developed a financed emissions measurement plan - Initiated the development and implementation of an asset manager engagement plan; as at FY2026, 20% of AUM has science-aligned targets and 74% of AUM is managed by asset managers with climate-related commitments	Engaged with our UK asset managers on the continued tracking of financial ESG metrics as well as Scope 3 and biodiversity metrics
Engage with insurance partners on their net-zero targets, with interim milestones for partner engagement by 2030	METRIC: Partner engagement and target adoption TYPE: Relative	Continued engaging insurance partners on net-zero targets. As at FY2025, 79% of our global insurance partners had a net-zero commitment, 81% were measuring their emissions and 41% were SBTi committed or validated, measured by number of insured lives	
Embed net-zero processes in onboarding for all new products , with the goal to reach net zero by 2050	METRIC: New products with climate considerations TYPE: Relative	- Discovery Bank product teams continued to explore opportunities to: - Incorporate climate-related considerations into future product planning and sustainability initiatives	Support energy-efficient home improvements and inform future emissions-related initiatives through piloted client engagement within the home loans portfolio
Reduce healthcare emissions beyond our value chain by optimising healthcare delivery pathways, advancing lower-carbon models of care, and expanding research on the impact of climate change on health outcomes	METRIC: Healthcare emissions and target adoption TYPE: Absolute and relative	Advanced research into the impact of climate change on health outcomes and morbidity risks	Quantified the emissions benefits of innovative healthcare delivery models to support lower-carbon care pathways



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Enabling the delivery of our climate-related goals

We accelerate our progress towards our climate-related targets by building internal capacity and understanding through employee and adviser engagement, reducing waste and travel-related emissions and integrating sustainability performance into executive remuneration. These measures are critical to promoting the behavioural changes required to embed climate action across the Group.

Building employee understanding of climate issues

We regularly engage with employees on climate-related issues, building the knowledge and skills needed to champion climate action and drive behavioural change within the business. This also enables employees to identify and manage climate-related risks in their everyday responsibilities. Our approach has evolved towards a more dynamic and continuous engagement model, using internal communication platforms and visual content to drive awareness of our environmental priorities, including our Net-zero Transition Plan.

In SA, we:

- Marked Earth Hour through an employee awareness campaign that encouraged participation in nature-positive activities and reinforced individual action in advancing sustainability
- Delivered ISO 14001:2015 environmental management system training to relevant employees, covering the framework’s requirements, environmental management processes and compliance responsibilities
- Continued to embed sustainability by presenting Discovery’s sustainability framework to all new employees as part of their induction

In the UK, we:

- Marked key environmental moments, including World Earth Day and UN SDGs Day, through awareness campaigns and employee activations across our global offices
- Continued to embed sustainability through regular communications, including the weekly employee newsletter, and through targeted sessions for teams delivered by the Sustainability team
- Evolved our Green Champions programme to include thematic learning sessions on topics such as food waste, sustainable consumption and nature and biodiversity
- Encouraged sustainable actions and behaviours by introducing a sustainability guide for managers to help them start conversations and raise awareness of the available support

Stakeholder engagement and collaboration

In support of our ambition to embed sustainability across the value chain, Vitality UK linked learning and engagement to tangible environmental action by committing to plant a tree for every adviser who attended our sustainability webinar series. The webinars focused on emerging sustainability topics relevant to the insurance sector and encouraged open discussion on how advisers and insurers can respond to long-term environmental and social challenges. The trees planted contribute to wider environmental benefits, including carbon sequestration and ecosystem restoration, and provide a transparent way of demonstrating the outcomes of adviser engagement.

Our decarbonisation approach relies on us adopting a responsible-buyer approach when sourcing new suppliers as well as sustainable procurement processes that prioritise an optimal combination of quality, price and sustainability. To support this, our Procurement Policy provides for sustainability-related criteria, including environmental factors. As we work toward our net-zero ambition, we will increasingly prioritise suppliers across our banking, insurance and broader operations who demonstrate credible sustainability credentials, including science-aligned targets, climate transition plans or robust ESG disclosures.

We support our asset managers’ approach to engaging with investees on their transition plans and seek to apply similar principles in our relationships with our existing and prospective business partners. Ninety One manages most of the Group’s AUM, and is guided by a net-zero transition plan informed by science-aligned targets. Its approach emphasises achieving real-world decarbonisation outcomes, particularly in emerging markets, by supporting portfolio companies in transitioning rather than divesting from carbon-intensive assets. Ninety One also engages with companies – including the largest carbon emitters in its portfolio – on their transition plans, to assess whether their carbon targets, capital allocation and governance frameworks are credible. Our other investment partners are signatories of the PRI, the Net-zero Asset Managers Initiative, and/or Climate Action 100+, indicating their collective commitment to mitigating climate risk.

Reducing travel, especially air travel

We recognise that air travel is a significant contributor to our carbon footprint. As a global business, air travel is often required; however, where possible Discovery reduces emissions from business travel by promoting virtual collaboration, evaluating alternatives to inter-regional travel, prioritising lower-carbon travel providers and integrating net-zero considerations into travel policies and booking systems.

Employee commuting contributes a significant portion of our Scope 3 emissions. Reductions in employee commuting and business travel form part of our hybrid working policies and Travel Policy. These initiatives will be supported by ongoing internal campaigns that encourage our people to reduce their emissions.

Our UK offices have bike storage and showers to encourage employees to cycle, walk or run to work. In addition, to support lower-emission behaviours, employees have access to carpooling initiatives and an electric vehicle salary sacrifice scheme, making it more accessible and affordable to switch to an electric or hybrid vehicle. Employees also have access to an eco-management tool that builds sustainability awareness and supports personal climate goals.

Aligning executive remuneration with sustainability objectives

Discovery links executive remuneration to sustainability-related metrics and targets, including specific environmental indicators, which are assessed annually. This strengthens leadership accountability and responsibility in advancing the Group’s climate-related commitments.

Our Single Incentive Plan measures performance over the short and long term and considers management performance at a Group, business and individual level. The Group performance scorecard for FY2026 includes a sustainability measure for ESG, weighted at 7%, which considers a GHG emissions measure. It is also supported by the Discovery Green strategy.

REM For detail on our executive remuneration, refer to our Remuneration Report.



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Climate-related performance

Overview of our performance against energy, water and waste:

	Unit	Trend	FY2026	FY2025
ENERGY				
Total energy consumption	MWh	⬆️	33 679	33 081
Fuels	MWh	⬆️	5 696	6 271
Purchased electricity (renewable and non-renewable)	MWh	⬆️	26 781	25 540
Electricity generated and consumed on-site (renewable via direct line)	MWh	⬆️	1 200	1 270
Energy intensity ¹	MWh/sqm	⬆️	0.187	0.210
GHG emissions intensity ¹	tCO ₂ e/sqm	⬆️	0.136	0.141
WATER				
Water withdrawal	Kilolitre	⬆️	99 564	100 072
WASTE ²				
Weight of waste	Tonne	⬆️	545	545
Waste recycled	%	⬆️	88	90
Waste to landfill	%	⬆️	10	8

¹ Energy intensity is calculated as total fuel, electricity and heating consumption within the organisation divided by floor area (sqm). Emissions intensity is calculated as Scope 1 and 2 GHG emissions divided by sqm. The gases included in the emissions calculation are CO₂, CH₄, N₂O, HFCs and HCFCs

² Waste to landfill increased, largely due to more complete UK reporting and the Stockport office relocation

Our GHG emissions

We calculate and collect GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Our emissions are calculated based on operational control and reported separately for our operations in SA, the UK and the US, reflecting the primary geographies in which the Group operates. These regions also represent the composite structure through which the Group operates and reports its financial results: Discovery SA and Vitality. Estimation methods were used where actual data was not available. Historic emissions may be restated as needed to reflect updates in activity data or changes in methodology, such as the use of the DFFE's updated national grid emissions factor to quantify SA Scope 2 emissions. **Our baseline year for Scope 1 and 2 emissions is FY2019, and our baseline year for Scope 3 emissions is FY2024.** Discovery does not currently make use of an internal carbon price.

ASSURANCE

GHG emissions data is collected with the support of third-party consultants, while Discovery retains responsibility for the preparation and fair presentation of the GHG statement. In addition, limited assurance is conducted annually and independently by Verify CO₂, a GHG emissions and carbon footprint verification provider, in accordance with ISO 14064-3. The FY2026 verification covered all Scope 1 and 2 emissions and selected Scope 3 categories, including emissions from the UK. A 5% materiality threshold per emission source category was applied, and the verifier confirmed that the final statement is free from material misstatement and presents a true and fair representation of Discovery's emissions for the period. The level of assurance provided for each emissions line item is indicated in the emissions tables below/on the following page.

Scope 1 and 2 emissions

Scope 1 emissions include fuel used in company vehicles, diesel for backup generators and fugitive refrigerant emissions. Scope 2 emissions include purchased electricity, including landlord-supplied utilities and electric vehicle charging.

We apply IPCC AR5 100-year global warming potentials, with country-specific fuel and electricity factors used, except for US natural gas. In FY2025, we updated our factors for fuel combustion in South Africa and included on-site solar generation at 1 Discovery Place and other premises where Discovery benefits exclusively from the environmental attributes. We report Scope 2 emissions using both location-based and market-based methods.

SCOPE 1 AND 2 EMISSIONS (tCO₂e) AT 30 JUNE

		SA	UK	US	FY2026	% Change	FY2025	FY2019 (Base year)	Assurance ²
SCOPE 1 AND 2	Scope 1								
	Mobile combustion	869	80	–*	949	(6%)	1 008	1 262	LA
	Stationary combustion	171	–	–*	171	(45%)	310	486	LA
	Fugitive Refrigerants (HFCs)	431	3	–*	434	(40%)	727	62	LA
	Scope 2								
	Purchased electricity (location-based) ¹	21 644	175	146	21 965	(3%)	22 663	33 920	LA
	Purchased electricity (market-based)	21 644	–	146	21 790	(3%)	22 417	34 078	LA
	Purchased heat	–	261	46	307	32%	232	9	LA
Total Scope 1 and 2 (location-based)		23 115	519	192	23 826	(4%)	24 940	35 739	
Total Scope 1 and 2 (market-based)		23 115	344	192	23 651	(4%)	24 694	35 897	

¹ Contractual instruments are available in the UK and US. In FY2026, all UK electricity consumption, excluding private electricity used to charge electric vehicles at home, was backed by Renewable Energy Guarantees of Origin that met the GHG Protocol Scope 2 Quality Criteria. In South Africa, three offices had rooftop solar photovoltaic installations that supplied renewable electricity directly to Discovery; renewable-energy consumption across these sites decreased by 5.5% compared with FY2025. For the two landlord-owned solar photovoltaic assets, Discovery was confirmed as the sole beneficiary of the environmental attributes, and the related consumption was accounted for at zero tCO₂e under both the location-based and market-based methods. No official residual-mix emission factor is currently available for South Africa

² NA: Not assured; LA: Limited assurance

Scope 3 emissions

We continue to refine our methodologies for measuring our Scope 3 emissions while addressing data availability challenges. We do not engage in all activities associated with Scope 3 categories, and our calculation methodologies vary in maturity. The maturity of our reporting across each relevant category will develop as we expand our scope for inclusion and our operational control. Our baseline year for Scope 3 emissions is FY2024, established and first published in our Net-zero Transition Plan in 2025.

Certain Scope 3 categories (particularly those that rely on third-party datasets such as suppliers, partners and financed emissions) are calculated using the most recent complete data available at the time of reporting. For FY2026, this data primarily reflects FY2025 activity, reported on a one-year-in-arrears basis. Categories 9 through to 12 are deemed not relevant to the Group’s business activities. Category-level methodology and data quality notes, and their relevance to our business, are provided in Annexure 1 on page 31.

SCOPE 3 EMISSIONS (tCO₂e) FOR THE RELEVANT REPORTING PERIODS¹

Category		SA	UK	US	FY2026	% Change	FY2024 (Base year) ²	Assurance ³
SCOPE 3	1 Purchased goods and services ⁴	371 726	135 293	–*	507 019	(5%)	534 404	LA
	2 Capital goods	19 331	–	–*	19 331	(1%)	19 430	LA
	3 Fuel- and energy-related activities	6 889	192	15	7 096	(4%)	7 359	LA
	4 Upstream transport and distribution	4 965	189	–*	5 154	(4%)	5 381	LA
	5 Waste generated in operations	54	15	–*	69	(35%)	107	LA
	6 Business travel	5 217	1 317	–*	6 534	(23%)	8 453	LA
	7 Employee commuting	13 575	1 907	147	15 629	16%	13 465	LA
	8 Upstream leased assets: Data storage	230	n/a	n/a	230	66%	138	LA
	13 Downstream leased assets: Purchased electricity	830	n/a	n/a	830	(9%)	915	LA
	14 Franchises	482	23	19 246	19 751	(2%)	20 125	LA
	15 Investments: Scope 1 and 2	1 141 752	165	2 420	1 144 337	12%	1 024 540	NA
	Investments: Scope 3	1 350 257	–*	461	1 350 718	(7%)	1 445 322	NA
	Total	2 915 308	139 101	22 289	3 076 698	(0.1%)	3 079 639	

* Not reported.
n/a Not applicable to geographic location.
1 FY2026 reflects Scope 3 data calculated on the most recent complete dataset available, which for most categories relates to FY2025 activity.
2 Certain UK Scope 3 categories were restated for FY2024 following methodology changes during the year, ensuring emissions data are more complete and aligned.
3 NA (Not assured, however, calculations were submitted to PCAF for review); LA: Limited assurance.
4 Purchased goods and services includes water, paper and cloud data storage. Co-located data storage is included under Category 8: Upstream leased assets. As UK capital goods emissions are not material relative to SA, they are included within Category 1.

Verify CO₂'s independent verification statement is available on our website.



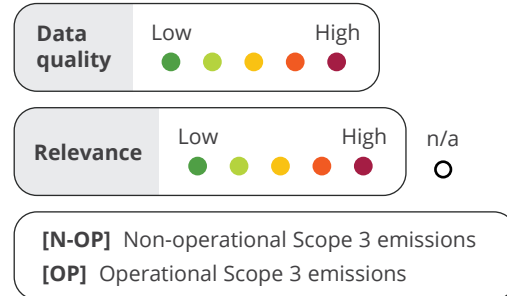
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Annexure 1: Scope 3 calculations methodology

Data quality varies across Scope 3 categories, as Scope 3 emissions are derived from a wide range of external parties and value chain activities – many of which do not yet provide consistent, complete or supplier-specific emissions data. This means we must rely on industry-average emission factors and estimates. Discovery prioritises supplier-specific and activity-based data where available because it improves the accuracy, completeness and auditability of Scope 3 emissions reporting; better reflects actual decarbonisation performance across the value chain; reduces reliance on generic industry-average estimates; and supports alignment with evolving disclosure expectations.

We classify Scope 3 categories as operational where they are closely linked to our day-to-day activities and provide greater control or opportunity to influence emissions reductions. Non-operational categories arise from client use, investment decisions or downstream activities, are outside our immediate control and rely primarily on indirect or stewardship-based levers.



Category	Scope 3 category	Discovery specific inclusions	Method used	Data quality score	Relevance
1 [N-OP]	Purchased goods and services – Healthcare (UK)	Emissions associated with healthcare services purchased in the UK to support delivery of health-related benefits, based on payments to healthcare providers.	Hybrid approach using supplier-specific emissions data where published; proxy supplier factors and government healthcare sector factors applied for remaining provider spend.	●	●
	Purchased goods and services – Vitality reward partners	Emissions associated with rewards provided to Vitality members, measured based on Discovery's benefit cost to reward partners.	Hybrid approach using product-specific lifecycle data for selected rewards and spend-based estimates for other reward spend, using economic input-output emission factors.	●	●
	Purchased goods and services – Other	Emissions associated with Group procurement spend not separately disclosed above, including water, paper, cloud services and general operating expenditure across Discovery businesses.	Spend-based calculation using multi-regional input-output databases applied to procurement categories. Water, paper and cloud services apply an activity-based calculation.	●	●
2 [N-OP]	Capital goods	Emissions associated with capitalised purchases such as IT hardware, generators and other long-life assets identified from procurement records.	Spend-based calculation using capital goods categories and economic input-output emission factors.	●	●
3 [OP]	Fuel- and energy-related activities	Emissions associated with the production, processing and transportation of fuels and electricity consumed in Discovery's operations but not included in Scope 1 or Scope 2.	Activity-based calculation derived from measured fuel and electricity consumption, applying recognised well-to-tank and transmission and distribution loss factors.	●	●
4 [OP]	Upstream transportation and distribution	Emissions from third-party courier, freight and distribution services supporting Discovery operations, including the distribution of pharmaceuticals and bank cards, as well as postage in the UK.	Activity-based calculation using tonnes transported where available; transport distances estimated using standard regional assumptions for certain routes. In the UK, spend-based calculation using government courier and postal service emission factors. Spend-based calculation applied to distribution of pharmaceuticals and bank cards.	●	●
5 [OP]	Waste generated in operations	Emissions associated with waste generated at Discovery controlled sites as well as waste management services at UK sites where detailed waste volume data is not yet consistently available. Includes general waste, recyclables, hazardous waste and incinerated waste, based on service provider reporting.	Activity-based calculation using reported waste volumes by treatment type and corresponding emission factors. In the UK, spend-based calculation using government waste management emission factors.	●	●



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Annexure 1: Scope 3 calculations methodology continued

[N-OP] Non-operational Scope 3 emissions
[OP] Operational Scope 3 emissions

Data quality Low High

Relevance Low High n/a

Category	Scope 3 category	Discovery specific inclusions	Method used	Data quality score	Relevance
6 [OP]	Business travel	Emissions from employee business travel, including air, rail, taxis, rental vehicles, reimbursed private vehicle use and hotel accommodation.	Predominantly activity-based calculation using distance or night stay data from travel agents; limited estimation applied to reimbursed travel where required.	●	●
7 [OP]	Employee commuting	Emissions from employee travel between home and workplace by all modes of commuting, excluding company-owned vehicles.	Modelled calculation based on annual employee commuting survey responses, scaled to the workforce with assumptions for missing variables.	●	●
8 [OP]	Upstream leased assets: Data storage	Emissions associated with energy use in third-party data centres where Discovery leases space and installs Discovery owned data racks.	Modelled calculation using rack-capacity metrics provided by hosting providers and proxy energy consumption assumptions.	●	●
9 [N-OP]	Downstream transportation and distribution	This category has been assessed and determined to be not relevant to Discovery's business activities.	N/A	○	○
10 [N-OP]	Processing of sold products	This category has been assessed and determined to be not relevant to Discovery's business activities.	N/A	○	○
11 [N-OP]	Use of sold products	This category has been assessed and determined to be not relevant to Discovery's business activities.	N/A	○	○
12 [N-OP]	End-of-life treatment of sold products	This category has been assessed and determined to be not relevant to Discovery's business activities.	N/A	○	○
13 [N-OP]	Downstream leased assets: Purchased electricity	Emissions from electricity consumed by tenants and concessionaires at Discovery sites where Discovery leases space to third parties.	Activity-based calculation using sub-metered monthly electricity consumption multiplied by the applicable grid emission factor.	●	●
14 [N-OP]	Franchises – South Africa (offices)	Emissions associated with Discovery branded distribution and sales and/or franchise offices that sell Discovery products under commission arrangements, but are not staffed or operated by Discovery employees.	Modelled estimation using proxy electricity consumption per square metre, based on energy use at comparable Discovery facilities and applied consistently across sites.	●	●
	Vitality global partners (licensed insurers)	Emissions associated with global insurance partners operating under licence agreements that use the Vitality Shared-value model across multiple international markets.	Allocation-based estimation using publicly available partner emissions disclosures where available; average partner emissions applied for non disclosing partners and allocated based on an estimated Vitality contribution to partner gross written premium.	●	●
15 [N-OP]	Investments	Emissions associated with investee companies held in collective investment schemes and retirement products managed on behalf of Discovery clients, based on exposure to financed activities and on corporate bond investments, as reported by the appointed asset manager.	Financed emissions estimation using asset manager-provided data and recognised financed emissions methodologies, aggregated at portfolio level where security-level data is unavailable.	●	●
	Other banking activities	Emissions associated with Discovery Bank residential mortgages (home loans), reflecting financed emissions from the underlying housing stock.	Modelled estimation using portfolio value and a residential housing emissions-intensity proxy, applied consistently across the loan book.	●	●
	Insurance-related activities	Emissions associated with insured activities (such as motor vehicle use) and insurance-linked investment exposures, disclosed on a supplementary basis to provide additional insight into indirect climate exposure.	Exploratory estimation using available industry indicators and high-level assumptions; not all insured emission types can be aligned methodically to standard Scope 3 categories. Insured-vehicle emissions were calculated by attributing each vehicle group's annual driving emissions to the insurer using a premium-to-insured-value attribution factor.	●	●



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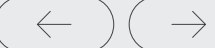
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Annexure 2: IFRS S1 and S2 application register

We have prepared this Climate Report with reference to ISSB IFRS S2 *Climate-related Disclosures* and the relevant foundational requirements of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. In the register alongside, we indicate where we addressed the requirements of these standards.

Topic	IFRS index	Summary of requirement	Relevant chapters and sections in this report
General requirements	IFRS S1.17 – 19	Materiality	PG 2 About this report. IAR Our FY2026 Integrated Annual Report
	IFRS S1.20	Reporting entity and reporting boundary	PG 2 About this report.
	IFRS S1.21	Connected information	PG 1 Our reporting suite. PG 2 About this report.
	IFRS S1.59	Sources of guidance	PG 2 About this report.
	IFRS S1.70 – 71	Comparative information	PG 2 About this report.
	IFRS S1.74	Judgements and estimates	PG 2 About this report.
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		Climate-related risks and opportunities identified over the short, medium, and long term	
		Impact of climate-related risks and opportunities on the business model, value chain, strategy and decision-making	PG 15 Climate-related risks. PG 22 Climate-related opportunities.
		Financial effects of climate-related risks and opportunities	
		Climate resilience	PG 20 Scenario analysis.
Risk management	IFRS S2.24 – 26	Processes to identify, assess, prioritise and monitor climate-related risks and opportunities, and changes from the prior period	
		Integration of these processes into the Group's overall enterprise risk management	PG 13 Risk management.
Metrics and targets	IFRS S2.27 – 37	Metrics used to assess climate-related risks and opportunities	PG 24 Metrics and targets.
		Absolute Scope 1, 2 and 3 GHG emissions, including measurement basis, consolidation approach and emissions factors	PG 29 GHG emissions.
		Climate-related targets, including objective, scope, time horizon, base year, methodology	PG 24 Metrics and targets.
		Remuneration-linked climate-related and sustainability metrics and targets	PG 28 Aligning executive remuneration with sustainability objectives.



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The evolving climate landscape

Our strategic response to climate change

Governance

Risk management

Strategy

Metrics and targets

Annexure 1: Scope 3 calculations methodology

Annexure 2: IFRS S1 and S2 application register



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